# India

FOR THE

No. 12. New Series.
No. 106. Old Series.

WEEK ENDING FRIDAY, MARCH 25, 1898.

Registered as a Newspaper. | Price...... 2d. By Post, 2½d.



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## NOTES AND NEWS.

LORD GEORGE HAMILTON went out of his way to assure the House of Commons, a month ago, that he was "in no sense disposed to shirk responsibility for any advice which" he might give to her Majesty with reference to the new law of sedition in India. That was a curiously defiant note, and now that the Penal Code Amendment Act and the Criminal Procedure Act have been passed by the Viceroy's Council, it is to be hoped that they will promptly be made the subject of debate in the House of Commons. It goes without saying that such a debate would be far more useful before than after Lord George Hamilton has had the opportunity of giving his sanction to the new measures. The right and proper course in a matter of such gravity would be for the Government to provide a day for discussion. But as that course is not at all likely to be taken, it remains for the Indian Parliamentary Committee to create the occasion for debate. They ought to be able to count upon the active help of the Front Opposition Bench, especially as Sir W. Harcourt, on July 2 last year, suggested that in his opinion no alteration ought to be made in the Press Law of India until the House of Commons had had an opportunity of pronouncing an opinion upon the subject. On that occasion Lord G. Hamilton was gracious enough to admit that any action which the Indian Government might take "is, of course, subject to review in this House."

The true character of the Calcutta public meeting to protest against the Sedition Bill is now perfectly plain.

> "Long before the appointed hour," says the *Amrita Bazar Patrika*, "the Town Hall was crowded to its utmost capacity; and when our reporter arrived he had to alight at a distance from the stairs, the space in front having been filled up by a large number of gentlemen against whom the door was shut, probably lest any larger crowd might endanger the safety of the hall. The hall was literally packed; and, indeed, for a long number of years, no meeting was held in the Town Hall when the lobby had to be utilised for the accommodation of the audience."

So much for the numbers. Next, as to the quality of the audience:

> On the platform were seen the foremost Indian barristers, vakils, attorneys, orators, merchants, and journalists; and if, for some reason or other, the highest aristocracy was not represented, the lower grade and the sturdy middle class mustered strong.

This description entirely supports the telegram of our correspondent which we printed at the time.

Mr. W. C. Bonnerjee, who was called to the chair, was welcomed with "a perfect ovation." His words are very noteworthy. "I have been connected with public affairs," he said, "for the last thirty years, but hardly have I seen a movement in which I have taken part like the present one. I do not remember any measure of the Imperial or Local Government which has evoked so strong a feeling as the present measure has evoked in the country." Lord George Hamilton's attention should be drawn to Mr. Bonnerjee's next sentence:—

> Non-official Europeans, and British Indian subjects, and all public bodies, with one voice protest against the measures, and point out that they are not necessary, and that they should not be passed into law.

A remarkable testimony to Mr. Bonnerjee's statement was immediately supplied, when Mr. Surendra Nath Banerjea read letters and telegrams of sympathy from more than twenty public bodies, including the Bar Associations of Pubna, Purulia, Chittagong, Comilla, Mozafferpur, Mymensingh, Gaya, Purneah, Bhagalpur, Dinajpur, Barisal, Khrishnagurh and Sylhet. There was also a large number of delegates present from important places.

The first resolution pleaded for more time, as Mr. Bonnerjee had expressed it: "the Government had a giant's strength, and they entreated it not to use that giant's strength in a violent manner, but to use it with discretion and moderation, with due regard to the feelings created in the country." The resolution, which was proposed by Babu Amrita Nath Mitter, Rai Bahadur, and seconded by Mr. C. E. Grey, barrister-at-law, was in these terms:

> That this meeting earnestly hopes that in view of the singular unanimity with which the proposed modifications of the law of sedition have been disapproved of by her Majesty's European British and British Indian subjects and by important public bodies in the land representing widely different interests, such as the Chamber of Commerce, the Anglo-Indian Defence Association, the High Court Bar, the British Indian Association, and other bodies, the Government will be pleased not to proceed further with the Bill without allowing further time for consideration and discussion. In the opinion of this meeting, the revision by the Select Committee makes no substantial change, and to quote the words of the *Englishman* newspaper, "the result will be exactly what it would have been if the Bill had been approved at the first reading."

As we have seen, even such reasonable counsels as these, based on such strong grounds, were brusquely thrust aside by the Government.

The next resolution took the form of a Memorial "adopted and submitted to His Excellency the Viceroy in Council under the signature of the Chairman" of the meeting. It was proposed by the Hon. Mr. Norendra Nath Sen, and seconded by Babu Baikunto Nath Sen of Berhampur. The following are the terms of the Memorial:

> That your memorialists view with alarm and apprehension the amendments, of which notice was given on December 21, 1897, to the Bill for the amendment of the Penal Code in relation to extra-territorial offences, which, your memorialists feel, involves a grave and serious departure from the views of the Indian Law Commissioners and the eminent men who have since dealt with the subject; and your memorialists humbly pray that Your Excellency may in Council be pleased to permit the further consideration of those amendments to be adjourned so as to allow further time for their discussion and consideration. That your memorialists further humbly pray that Your Excellency in Council may be pleased to sanction the insertion in Sec. 124A, of a definition of disaffection in the sense in which it was explained by the Indian Law Commissioners to sanction the omission of the vague and uncertain words "hatred," "contempt," and "enmity," and of any provision throwing upon a person accused under Section 505 the proof of the absence of the intent charged or dispensing with the proof of the intent and to limit the scope of that section to what is false, and to sanction the omission from the Bill to amend the Code of Criminal Procedure of any provision enabling magistrates to adjudicate upon offences under Section 124A of the Penal Code and to sanction the insertion in Section 153A of the Penal Code as proposed by the Select Committee the words "with intent to cause a breach of the peace."

A third resolution declared the Criminal Procedure Bill to be "a retrograde and reactionary measure, which will add to the already large power of the police, invest magistrates with a discretionary authority which they do not now possess, and curtail the powers of the High Court, all to the extreme prejudice of accused persons." The meeting, and the proceedings of the meeting, were evidently worthy of the City of Calcutta, and the resolutions, if vain for their immediate object, constitute valuable proof of a keen love of reasonable liberty and of just abhorrence of arbitrary government.

In a pointed paper on "The New Sedition Law of India," in the forthcoming issue of the *Asiatic Quarterly*, Mr. R. C. Dutt declares from close knowledge of a large number of representative Indian papers—which have often adversely criticised his own administrative acts—that the Native Press is absolutely loyal. The educated classes, whose loyalty is essentially in question, "are loyal," he

says, "in their own interests, loyal in consequence of the education they have received, loyal because they can seek redress for their grievances openly and in a constitutional manner, and do not work in the dark." A quotation Mr. Dutt makes from the present Chief Commissioner of Assam's well-known book, "New India," is well worth repetition, and ought to be dinned into the ears of the authorities :—

"They are embittered," Mr. Cotton says of the educated classes, "deeply embittered at their exclusion from power, at the deliberate neglect of assurances in their favour solemnly made and repeatedly renewed, at the contemptuous manner in which they are treated by Europeans, and at the insolence with which their legitimate aspirations are spurned and set aside. If it is disloyalty to attempt to wring concessions from the Government by all fair means within their power, they are disloyal. If it is disloyalty, when excluded from office themselves, to watch and censure, often in no measured terms, the abuses of the authority exercised over them by Englishmen, they are disloyal. . . . . But they are not disloyal if disloyalty consists in the feeling that they would wish to see the English Government driven from India. . . . . They claim that the Government should repose confidence in them. . . . . They demand real, not nominal equality, a voice in the Government of their own country, and a career in the public service."

"This," says Mr. Dutt justly, "is the head and front of their offending, and would any sober man," he asks, "call this disloyalty, or try to gag the Press for these aspirations?"

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Mr. Dutt deals section by section with the more important alterations introduced into the Penal Code and the Code of Criminal Procedure, showing conclusively the unnecessary, unreasonable, and oppressive character of the new legislation. Incidentally, he points out how one-sided the operation of the Acts is likely to prove. Section 153A, for instance, which strikes against the promotion of feelings of enmity or hatred between classes, will, he admits, do positive good, "if it really leads to the suppression of strong and bitter charges and recriminations which sometimes find place in Indian papers, and which disfigure Anglo-Indian newspapers oftener than Native Indian newspapers." But this prospect of good all hangs on a most dubious "if"—a peg that is in fact merely nominal. For just consider this: "We have seen," says Mr. Dutt, "that Tilak has been sentenced to 18 months' hard labour for speaking and writing on the murder of Afzal Khan by Sivaji two hundred years ago; and we have seen that an Anglo-Indian paper, which coolly published a proposal to exterminate the natives of India for the benefit of European settlers, has not received a warning." And again, on another section :—

Fifty or sixty questions are asked *every night* in the House of Commons, and answered by the Ministers often with fulness of detail and due courtesy. Half a dozen questions asked *weekly* in a Provincial Council in India are considered an undue intrusion upon the valuable time of the officials.

Perhaps this is what is meant when it is said that we must beware of false analogies between India and the United Kingdom.

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What would a member of the House of Commons think if he got an answer to a legitimate question of public interest like the answer Sir Charles Oliphant gave Mr. Khare, the other day, in the Bombay Legislative Council?—

*Question.*—Is it a fact that the Cantonment Magistrate of Ahmednagar assaulted the editor of the *Sudarsan*, a local paper, on November 2 last, at the editor's own house, because of some comments which appeared in that paper regarding plague operations?

*Answer.*—It is a fact that the District Magistrate of Ahmednagar, under section 203 of the Criminal Procedure Code, dismissed a complaint in which one Wasudeo Gangaram Dange, said to be the proprietor and editor of the *Sudarsan* newspaper, alleged that he had been assaulted by an officer who was the then Cantonment Magistrate of Ahmednagar.

The *Amrita Bazar Patrika* gives this cantonment magistrate his due credit for showing a way of curbing the "license" of the Press, which "has many advantages over the various seditious measures just inaugurated by the Government." The Government answer to Mr. Khare, it thinks, will enable home M.P.'s to "have a clear notion of the advance that we (Indians) have made in the direction of Home Rule."

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A telegram from Bombay, dated March 15, stated that at a large meeting of Justices held in the Town Hall on that day, the Governor delivered a speech on the subject of the proposed new measures for dealing with the plague. "He stated that search parties were to be abolished experimentally and all suspicious cases were to be reported by the headman of the various communities. There would be no inspection of corpses or measures entailing delay in the performance of funeral rites." This change of policy is as sudden as it is complete, and one would like to know what it was precisely that caused it to be adopted. The *Spectator* describes (March 19) the new policy as "the course which we ventured last week to indicate as the safest." It is the course which Indians have indicated all along, but instead of it hitherto there have been, as one of the English doctors specially sent out to Bombay wrote in the *Times* of March 12, "drastic measures which would not for a moment be tolerated in any civilised country in which the people had any reason to call themselves free."

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The *Outlook* printed last Saturday some remarks, which probably express the opinion of many thoughtful observers :—

We always feel a reluctance to criticise the Government of India. The country cannot be ruled from London. The men on the spot have, presumably, knowledge and experience, and it is for us stay-at-homes either to trust them or to recall them. The Bombay plague is a bad business, and the suppression of it a heavy task. Some shooting was probably inevitable sooner or later. We can only hope that no more will be necessary. May we venture to put two points to Anglo-Indians: (1) Cannot some means be taken to range enlightened Hindu and Mahometan opinion more fully on the side of the Authorities? (2) Do the younger and newly-arrived officers understand as well as they should do that Indian natives require very different handling from that which will serve, perhaps, in the case of the African "nigger"? As to the immense difficulty of bringing home the teachings of medical science to the masses of the people of India, we need no convincing. What percentage of the population of London regularly boils its milk and water?

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As an example of the treatment to which, under the earlier system, even a person of the highest respectability was liable to be subjected, we may refer to the case of Mr. Jamietram Nanabhai, as set forth by himself in a letter to the *Champion*. Mr. Jamietram is a son of the late Mr. Justice Haridas. He is a double graduate, a Fellow of Bombay University, and an advocate of the Bombay High Court; and he lives in the Nepean Sea Road, one of the best localities in Bombay. He proceeded by rail to Surat on February 15, armed with certificates of the same date from the Bombay Plague Committee, certifying (1) that he had been ten days under medical supervision of a Plague Medical Officer; (2) that there had been no plague in his house or in its vicinity for one month; and (3) that he had been very carefully examined by a duly qualified medical officer on plague duty, and was free from any sign of plague. So far so good. He reached Surat station without any undue attentions. There, however, he was dealt with as follows:

No consideration was paid to my certificates. I was marched off to the Quarantine Camp in police custody. The next thing that was offered to me was an option of depositing Rs. 100, to be forfeited if I absconded, and of subjecting myself to a bath, or else to be confined in that camp for ten days. I paid the Rs. 100 and bathed, and was free again. This option, too, is now abolished, and if I go again they will confine me there for ten days.

The Surat officials must possess exceedingly limited powers of discrimination if they require deposits from men of known responsibility, even if deposits were an effective set off against the thing they are meant to be a precaution against. And if this sort of vexatious treatment is meted out to educated Indians of position, is it matter of surprise that people of a lower class have to complain bitterly?

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The itching to be doing something to tinker the financial position is always active. Here, now, is Mr. Vicary Gibbs, who is something of a crank on the theory of monetary conditions, with a motion for March 29 in these terms :—

To call attention to the present unsatisfactory condition of monetary affairs in India; and to move, That a Select Committee or Royal Commission be appointed to consider the monetary condition of India, and the effects of closing the Indian mints to silver on the different classes and interests affected thereby, to report on the suggested establishment of a gold standard in that country, and to make such recommendations as they may think fit.

If the Government have not a sufficient quantity of information already before them, they will never have enough in this world. The agitation for a gold standard may thrive on such food as Mr. Gibbs wishes to provide, but the practical good is not obvious. Even Sir David Barbour, who is as good a bimetallist as any of them, has admitted that a gold standard is unworkable in such a poor country. Why, if things go on as they are doing, India will begin to find even a silver standard unsupportable. We hope, however, that in the course of Tuesday's

debate somebody will take an opportunity of discussing the monetary situation in India from the point of view of the rayat. To force up the exchange value of the rupee to an artificial point may suit a Government which has to make heavy sterling payments in London. But scarcity of rupees and difficulties in the way of coinage mean for the peasant farmers of India a further increase of burdens which were already greater than they could bear. In discussions on Indian finance we hear a very great deal about the convenience of the Government of India, the wishes of the money market, and the wants of British merchants. But we do not hear much about that rather prevalent, albeit neglected class, the poor Indian rayats.

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There was a good attendance at Westminster Town Hall last Friday when Sir William Wedderburn delivered before the East India Association the lecture on Agricultural Banks which we report on another page. Among those who were present were Sir Raymond West, Mr A. O. Hume, Sir R. Wilson, Mr. C. L. Tupper, Sir Lepel Griffin, Mr. H. W. Wolff, Sir John Leng, M.P., Mr. Samuel Smith, M.P., and Mr. Luttrell, M.P. Those who took part in the discussion that followed the paper were practically unanimous. The wonder—and the scandal—is that after so many years of discussion the one thing needful—namely, a practical experiment—is still to seek. The indebtedness of the rayat is admittedly the curse of India. Yet the India Office has not only neglected to take steps to mitigate it, but has put insuperable difficulties in the way of disinterested outsiders. It would be difficult to exaggerate the arduousness of the work accomplished by Sir W. Wedderburn and his friends fifteen years ago in bringing into line all sections of opinion, both in India and at home, in favour of a practical experiment. Even the financial department of the Government of India gave its consent. But the scheme was destroyed by the India Office, which now, after half a generation of delay and profitless enquiry, finds itself at the point from which the authors of the Poona scheme started.

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Sir Raymond West, who opened the discussion, referred pleasantly to his earlier co-operation with Sir W. Wedderburn; and Mr. Wolff was merely expressing the view of all who were present when he said how surprised he was that the authorities had so long shirked their responsibility. Sir Lepel Griffin spoke strongly in the same sense, and we are glad to know that he has undertaken to bring the matter before the Council of the East India Association.

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The Indian climate seems to have a demoralising effect upon Liberal principles. Lord Sandhurst went out with the fairest hopes, and for some little time one had the pleasure of praising his conduct in his high office. But alas! the climate has nipped the buds of promise in Bombay just as effectually as it has done in Calcutta. The true explanation seems to be that a second-rate man has been given a first-rate task, and has not risen to the occasion. Surely the British Empire in India ought to be served by the very best statesmen and administrators to be found anywhere.

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Lord Sandhurst is *ex-officio* Chancellor of the University of Bombay. He certainly could never have reached such an academic post on academic grounds. As Chancellor he delivered an address the other day. He necessarily avoided the various burning questions which are now agitating the academic world there, questions which an academic Chancellor would have usefully unravelled. Apart from commonplaces, his address was notable for but one solitary point, which was conspicuously out of place, and somewhat offensive. "It seems to me," he said, "that there are indications that in some cases the education given in our schools does not inculcate that respect for order and authority, and that self-control and self-restraint which are required in the members of a civilised community." Further he had noticed a tendency "to permit and even to encourage schoolboys to take a part wholly unsuited to their age in public movements." A charge like this should have quoted chapter and verse, and ought not to have been flung vaguely at the whole mass of educators. The *Mahratta* answers Lord Sandhurst with point and with restraint: "If he refers to the National Congress or the Sivaji movement, we must say that his Excellency is quite misinformed by those who always represent our public meetings as composed of schoolboys, and who, whenever they want to belittle a movement, never fail to trot in the schoolboy when they cannot otherwise answer an argument." And again: "If a teacher may descant on the virtues of Washington, or Hampden, or Luther, why may he not refer to the merits of a Sivaji or a Ramdas?" Let Lord Sandhurst answer. The fact is, he is under the distorting influence of panic, and is a fitter subject for pity than for censure.

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We are glad to see that the meeting of the National Liberal Federation at Leicester took specific notice of Indian policy in the following resolution, which was proposed by Mr. W. S. Robson, Q.C., M.P.:

> That this Council deplores the results which have, as a whole, attended the Foreign, Colonial, and Indian policy of the Government—a policy of alternately bullying the weak and making "graceful concessions" to the strong—which, since the accession of Lord Salisbury to office, has given rise to an unparalleled series of crises and complications, involving an expenditure on armaments beyond all precedent, and seriously compromising the honour and interests of the country.

It is specially gratifying that Mr. A. M. Bose was selected to second the resolution, which he did in a speech described by the *Manchester Guardian* as "really eloquent." The matter of the resolution, it will be seen, offered excellent scope for Mr. Bose to represent the effects of this adventurous policy upon his native country. Mr. R. C. Dutt was also present as a delegate. There can be no doubt that the personal attendance of two such strong representatives of modern India as Mr. Bose and Mr. Dutt has done much to emphasize the claims of India to the closer attention of politicians in England.

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It is not without significance that in the telegraphic summary of Sir J. Westland's financial statement which was published last Monday, land revenue is said to be better by Rx. 290,000 in the revised estimates for 1897-98 than in the Budget estimate; and with regard to 1898-99 it is said that "a general bounteous harvest enables Government to realize considerable arrears, estimated at about Rx. 800,000 of suspended land revenue." When one contrasts these remarks with the piteous appeals against increased assessments which have lately been heard in more than one Indian province, one is reminded of Colonel Osborn's account, recently cited by Colonel Hanna, of the state of affairs in 1878:—

> At this time (1878) India had been scourged by a series of famines. . . . . But, with an Afghan war on their hands, the Government could not afford to be either just or generous. The revenue collectors were ordered to go out among the famished villages of India and wring from the wretched inhabitants the utmost farthing that was due from them. To satisfy those demands the starving peasant was compelled to sell even the household utensils which enabled his family to cook their scanty meals. In the North-West Provinces no less than a million and a quarter of men, women, and children perished of hunger, the Government wringing from them in this season of dire distress no less a sum than two million pounds. . . . . It is no exaggeration to say that for every hundred Afghans whom we have slain in this unrighteous war, we have caused a thousand of our Native fellow-subjects to perish of want and hunger. And all for what? For no other purpose than to destroy that impregnable barrier which fenced off our Indian Empire from the possibility of aggression in Central Asia.

There is, in more ways than one, a curious resemblance between the events of 1898 and the events of 1878.

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In reply to a question from Mr. Herbert Roberts last Monday, Lord George Hamilton made this astounding statement:

> The punitive police force was imposed upon the city of Poona for a period of two years from June, 1897, and the approximate cost, the whole of which was intended to be borne by the Municipality of Poona, is about Rs. 9,600 a month. I have up to the present received no information which leads me to suppose that any change is contemplated.

Now this punitive force was imposed under the belief that the deaths of Mr. Rand and Lieutenant Ayerst had resulted from the operations of a "widespread conspiracy" centred in Poona. Yet the miserable Damodar Chapekar has been convicted for the murders, and the Bombay High Court has upheld the conviction. What, then, becomes of the bogey of a conspiracy? The cost of the police occupation is frightful, and forms a grossly oppressive tax upon innocent and guilty alike—if indeed there be any guilty. How could the officials decide that just two years was the proper term of imposition? Such a measure in its very nature is a temporary thing to meet a specific emergency. Is there legal warrant—is there precedent—for such a punishment?

## SIR J. WESTLAND'S FINANCIAL STATEMENT.

THE telegraphic summary of the Indian financial statement received by the Secretary of State for India is an amazing document. Its most amazing feature is the implied light-heartedness with which Sir James Westland contemplates for the closing financial year a deficit of Rx. 5,280,000. Six weeks ago we published a forecast of the Indian financial position, which now appears to have been tolerably accurate. We estimated that the closed accounts for 1896-7 would show a deficit of Rx. 1,750,000; as a matter of fact, they close with one of Rx. 1,700,000. With regard to the revised estimate for 1897-8, we estimated an increase of Rx. 1,834,000 over the Budget estimate in the cost of famine relief; the increase now declared is Rx. 1,750,000. Finally, we estimated a probable deficit for 1897-8 of five crores (Rx. 4,964,000); the Viceroy's telegram puts the deficit at five and a quarter crores (Rx. 5,280,000). In the two years 1896-7 and 1897-8 there is an accumulated deficit of Rx. 7,000,000; and yet the Indian Government, which is forced to resort to loans in order to tide over the difficulty, has not thought it necessary or in the interests of the Indian taxpayers to accept the Imperial Government's offer of assistance. Now let us examine one or two points raised in this summary of the financial statement.

The first point is the air of jaunty good humour which this statement carries about with it. "Deficit? Bless my soul. Why, yes! But only a little one—a very little one—a mere matter of 5¼ crores. What's that?" So Sir James Westland seems to be saying. "Help from the Imperial Government? No, *thank* you. The money would of course be useful, but then—well, you want to know too much—and it's really all right. In fact we thrive on deficits, and we can always borrow." So, it seems, run the thoughts of the Government of India. But let us tabulate the main figures:

| | Rx. |
|---|---|
| 1896-7. | |
| Realised deficit .. .. .. .. | 1,700,000 |
| 1897-8. | |
| Famine Charges .. .. .. .. | 5,390,000 |
| War Charges .. .. .. .. | 3,820,000 |
| Loss of Opium Revenue .. .. .. | 570,000 |
| | Rx. 9,780,000 |
| SAVINGS on *Exchange* (all that is admitted), *Army* (ordinary expenditure) and *Railway construction* .. .. | 1,080,000 |
| GAINS under *Land Revenue*, *Railways*, and *Irrigation* .. .. .. | 1,240,000 |
| Other gains and savings not specified . | 2,180,000 |
| DEFICIT *(Revised Estimate)* .. .. | 5,280,000 |
| | Rx. 9,780,000 |

| | Rx. |
|---|---|
| 1896-7 and 1897-8 | |
| Famine charges .. .. .. .. | 7,500,000 |
| Famine loss of revenue .. .. .. | 6,500,000 |
| Alleged cost of Famine .. .. .. | 14,000,000 |
| War charges .. .. .. .. | 4,000,000 |
| Extraordinary expenditure .. .. | 18,000,000 |
| Realised deficit (2 years) .. .. | 7,000,000 |
| Extraordinary expenditure met in two years by improvements in revenue and gain by Exchange .. | Rx. 11,000,000 |

There are the main facts about the two past years. We agree with the *Times* that the Budget Estimate in India is "always a somewhat loose calculation." Therefore 1898-9 may here be dismissed with the remark that if the Government of India cannot produce a surplus in a year of good harvest with no heavy extraordinary expenditure to meet and with a prospective bonus of something like *five millions* from a rising exchange as compared with 1894-5, India would indeed be bankrupt.

One very remarkable thing about this summary is the perfunctoriness of the reference to exchange. When the exchange value of the rupee was falling, Sir James Westland never ceased whining about its depredations, loudly asserting that its vagaries—and they alone—made of none effect the skilful dispositions of the most economical Government that ever created a deficit. Now that a rising exchange is paying off military extravagance, and mitigating the burdens of a disastrous famine, Sir James Westland says precious little about its reparations, dismissing his fairy godmother with a grudging acknowledgment, and a strange under-statement of the total saving upon the estimate effected by and through exchange. The significance of this attitude will be appreciated when it is realised that in 1894-5 the net cost of exchange in all forms amounted to Rx. 15,000,000, and that, if present rates hold, as seems likely, the cost for 1897-8 and 1898-9 will work out at Rx. 10,000,000—*a saving of five crores in each year*, as compared with three years ago. Imagine the cry of "We can't help it" which would have burst in unison from the lips of the Viceroy's Council, if this had been a *loss* instead of a *gain* in three years! Do we not remember the financial statements and the egregious calculations of a few short years ago? Why should we not say in our turn, "Oh, finances better than they expected? Tut, tut—*they* can't help it!—it's Exchange."

Another point which calls for notice is the references to the land revenue. On the one hand we are told that there have been heavy losses of land revenue which go to swell the cost of the famine; on the other hand Sir James Westland congratulates us on the prospect of gathering in some Rx. 800,000 of arrears of land revenue. In a financial statement, of course, these things are, to say the least, apparently inconsistent with each other, but there is a more serious aspect than that of arithmetical incompatibility, namely, that of political incompetence. Is it wise or humane thus greedily to clutch at arrears of rent accrued through a calamity so terrible as the recent famine? Indeed it is matter of very bitter complaint throughout India that the prosperous harvest, which after all is but small compensation for the protracted miseries and losses of a great famine, should be largely discounted by the accumulated demands of the Government tax-collector.

But perhaps the most remarkable portion of this telegraphic summary is the "short review" of the last twenty years of Indian finance. In this short review Sir James Westland calmly says that during these last twenty years India has more than paid her way! Now this statement is not only grossly misleading—for how can a Government that is continually imposing new taxes, and increasing old ones, and that goes about borrowing with both hands—how can such a Government be said to be paying its way?—but the statement is contrary to fact. It is not quite clear what "last twenty years" Sir James Westland has taken. Of course, he has not much choice, but as a matter of fact it makes little difference whether he takes the last twenty years as ending with 1895-6, 1896-7, or 1897-8—in each and every case there was an accumulated *net deficit* for the twenty years, small, it is true (from one to two crores) but still a *deficit*—and that is not what is expected of a Government which is "more than paying its way." But that is a trifling inaccuracy—though not the sort of thing one expects from a responsible minister—compared with the mischievous suggestion, underlying this previous "review," that India has been comparatively prosperous these last twenty years. Prosperous—with nearly twice as much raised by taxation (very largely from new taxes or increase of old ones) as was raised in 1875-6; with the rent of the land being steadily enhanced at re-settlements of increasing frequency; with five millions added to the normal cost of the army, while a beggarly half million is added to education's scanty dole; with an increase of £64,000,000 in the sterling debt and of Rx. 24,000,000 in the rupee debt; with £2,000,000 a year added to the sterling charges—with all these cumulative ills, to suggest that India is prosperous is simply a mockery. But this telegraphic summary, meagre as it is, supplies the best comment upon this "short review," and that is the paragraph devoted to loans. Here we see at work in the well-accustomed way those primitive methods of finance by which the Government of India is made to appear to an uninstructed public to be paying and more than paying its way. A loan to pay off an old loan *and a little bit over*; a temporary loan to be renewed, preparatory to its conversion to permanent debt, and so on. Will the English people never wake to the seriousness of the situation? They are ultimately responsible for India's paying her way; when are they going to look into the accounts of their Indian estates?

## THE DEBT OF INDIA.

WE have dealt on the preceding page with the telegraphic summary of Sir James Westland's financial statement made in the Viceroy's Council on March 21. But there is an important aspect of that statement which deserves separate treatment—namely, the proposals for new loans. Year after year the Indian Government goes upon the market to contract new loans or to renew old ones. These transactions are invariably robbed of their sting by one of two methods. One is to renew temporary debt, a method which creates at the time the impression that the debt is in reality temporary, whereas experience shows that it tends almost invariably to become permanent at a later date. The working of this process is somewhat as follows. The Indian Government is in difficulties. Rather than retrench, which is alien to its nature, or seek fresh sources of revenue—which would be difficult and would provoke enquiry, the thing the Indian Government most hates—it raises a temporary loan. The British public, accustomed to the large temporary loans of British finance—which are strictly temporary—thinks nothing of an increase in the unfunded debt and imagines it to be, what indeed it purports to be, a mere matter of ways and means. A year passes. The Government is no nearer paying off the loan than before, so the loan is renewed. But by this time public curiosity is less acute. Only a renewal of debt already existing—well, there is nothing alarming in that. The renewal accordingly goes through. Another year passes. By this time the reasons for the original temporary loan have become matters of ancient history, and the debt is regarded as an institution, so to speak—incurred in a remote past for which no blame attaches to the present, and regarding which criticism has ceased to be useful. The proposal is to substitute for one kind of debt—unfunded—another, namely, funded. This, apart from questions of origin, is obviously a reasonable demand, and, with origins buried in oblivion, the harmless change of name is effected. That is one way.

The other way is equally effective. It consists of borrowing in the form of permanent debt a large sum in order to pay off a smaller debt which has matured for discharge. We have instances of both systems in the present loan proposals of the Indian Government—£6,000,000 renewal of floating debt, and £6,000,000 addition to the Permanent Debt to pay off £3,500,000 of debentures. In both these methods the Government makes great play with public works debt. It never borrows except to pay off some debenture stock, or other so-called reproductive debt, but it is always careful to borrow more than is absolutely necessary for this laudable object, so that it may have something in hand to spend at will on "other purposes." There is yet a further expedient resorted to by the Indian financial authorities in connexion with public works debt. In an article published in INDIA for December, 1897, we discussed the question pretty fully, and it may be stated here that it seems to be the practice of Indian financiers to treat Rx. 1,000,000 expended on public works in India as a legitimate and sufficient set-off to £1,000,000 sterling raised in England. About one particular practice of theirs there can be no dispute, for it is down in black and white in their own Finance Accounts—we mean, treating Rx. and £ as interchangeable units, capable of being added together. This arithmetical burlesque is actually committed at p. 195 of the Finance Accounts of the Government of India for the year 1895-6, and is to be found on the corresponding page of previous Finance Accounts. When it is borne in mind that upon this table are founded the comfortable deductions as to decrease of unreproductive debt which are published from time to time by official apologists of Indian finance, it may be guessed what kind of value attaches to the pleasing doctrine that the ordinary debt of India is decreasing.

One point in all this confusion should be mentioned in fairness to the Indian financial authorities. We mean in the course of years that some Rx. 25,000,000 of public works capital expenditure has been incurred out of revenue. Now it is, of course, perfectly reasonable to treat this as a wiping out of ordinary rupee debt (as a conversion of unreproductive into reproductive debt). But it undoubtedly introduces an element of added complexity into the accounts; and when, as is the custom, the debt is all lumped together—Rx. with £—and made to do duty now as silver, now as sterling debt, and now as a compound of both, it is obvious that the original errors of addition are aggravated. It is not suggested that there is any grave financial scandal to be unearthed in Indian finance. No sane man would impute any want of financial integrity to the Government of India—nor, indeed, want of considerable financial ability, though this quality is not always present, as witness the contracts with the Guaranteed Railway Companies. What is suggested is that the Indian Government has got into a tangle over its debt of two denominations and of two kinds—in all of *four* classes (silver debt, gold debt, ordinary debt, and public works debt) which mix with one another in almost inextricable confusion. Of this already bewildering situation, a fickle exchange makes complete chaos, and the Indian financial authorities in a kind of despair throw the rules of arithmetic to the winds and make nonsense out of the chaos. Grave and reverend officials at the India Office have been heard to defend the practice of printing Rx. 1 + £1 = Rx. 2, by saying that they thought it had been printed Rx. 1 + £1 = 2, without denomination of any kind—as in fact is sometimes the case. Is it possible to conceive a more ostrich-like proceeding? As if the denomination of the product mattered anything, once the addition is made and deductions are drawn from that addition.

What, then, is the solution of the enigma? It is hardly for us to say. But one thing we would suggest. The so-called decrease of the ordinary debt is almost certainly fictitious. It is, at any rate, high time that enquiry was made into this ridiculous system of presenting the Indian Debt, and that a more intelligible and more honest method of announcing the purposes for which new debt is incurred was adopted. All new loans should be raised for a specific purpose, and ear-marked for that purpose—if sterling, and to be expended in rupees, then they should be brought to account at the rate of exchange current when the money was raised. When Indian Finance Ministers make quite ludicrous blunders in regard to the effects of exchange one may perhaps be forgiven for again explaining the obvious. Suppose that the Government of India raises £1,000,000 in a given year when exchange (the average official rate) is at Rs. 15 = £1. Clearly, in India the £1,000,000 = Rs. 15,000,000 or Rx. 1,500,000. Suppose in the given year the Government also incurs capital expenditure on railway construction. It matters not what happens—the million sterling raised in England provides the Government in India with a crore and a half of rupees for the purposes of the capital expenditure on railways. If the £1,000,000 is not actually remitted, but used to reduce the Secretary of State's drawings on India, it sets free Rx. 1,500,000 in the hands of the Government of India which would otherwise have been remitted in order to meet the demand for £1,000,000 in London. Similarly, if the £1,000,000 is raised to pay off debentures falling due in London, Rx. 1,500,000 is set free in India which otherwise would have been remitted to England to produce the £1,000,000 needed to pay off the debentures. Obviously, if the money is remitted in any form it produces Rx. 1,500,000 in India. Nor does it matter for what purposes the money is raised, so long as it is raised as debt and so long as there is concurrent expenditure on public works. Under these circumstances is it not self-evident that to claim an expenditure of only Rx. 1,000,000 on public works as equivalent to a transfer of £1,000,000 of sterling debt from the ordinary to the reproductive category, is incorrect? Is it not clear that it would require an expenditure of Rx. 1,500,000 in order to provide a set-off to the £1,000,000? Yet it is by ignoring these palpable considerations that the Government of India constructs its tables which show such an inexplicable decrease in the ordinary debt.

In conclusion, here is an elementary calculation which brings the matter to an issue. At page 130 of the "Statistical Abstract of British India for 1897" there is a table showing that on March 31, 1892, the Indian debt, "*in tens of rupees and sterling*," classified as for "other purposes" (*i.e.*, ordinary) was 76,002,900 (no denomination). Let us call it Rx. 76,002,900£. On March 31, 1896, this is shown in the same table to have become 63,465,116, or, as we will call it, Rx. 63,465,116£. The comparison shows a reduction in the four years, 1892-1896, of Rx. 12,537,784£. At page 84 of the same Blue-book we find that in those four years there was a net deficit—small, but still a deficit—on the four years' revenue and

expenditure. At page 195 of the "Finance Accounts of the Government of India for 1895-6" we find that during these four years some Rx. 3,900,000 had been spent out of revenue in capital expenditure on public works. We have, therefore, this extraordinary result to chronicle—that in four years of actual deficit twelve and a half millions of debt are treated as wiped out by an expenditure out of revenue of not quite four millions on public works. Are we not justified in saying that there is something mysteriously wrong in the presentation of the Indian debt account?

## AGRICULTURAL BANKS FOR INDIA.

SIR WILLIAM WEDDERBURN has once more put forward a plea for the establishment of an agricultural bank in British India by way of experiment. The address he delivered before the East India Association at Westminster Town Hall, on Friday last, is reported in full on another page. It is impossible for anyone not familiar with official ways to realize the all but incredible story he tells; though such as are familiar with these strange paths will not be in the least surprised at the perplexity and confusion of mind of the lost sheep that stray about in them. Sir William, however, is the last man to be discouraged. He keeps "pegging away," and he may indeed, some time next century, "strike ile." There was a glint of hope in a remark of Lord George Hamilton's the other day. Lord George said the Government was "only waiting for a quiet time to consider a number of proposals for the purpose of freeing the people as far as possible from the influence of the money-lenders." Looking at the signs of the times, one fears he will have to wait a considerable period for his quiet time. He fails to see that it is only officialdom which is the cause of the unquietness of the times. Cannot he direct the fussiness of office to let the people of India alone for a bit? But, in any case, the mischief he recognises only makes the unquietness increasingly troublesome, and the sooner he sets about remedying it, the sooner will a quiet time begin to approach. "I hope," he said, "we shall be able to set up some system of local banks for the assistance of the Natives." It is a very simple matter, in all conscience, and the Government might just about as easily do it as express the hope that they will be able to do it. A graceful touch of magnanimity or generosity would have prevented Lord George from missing the opportunity of recognising the assiduous and unselfish advocacy of Sir William Wedderburn.

It is something, however, to see that an Indian secretary has at last exhibited indications of a glimmer of knowledge that the Indian rayat is not, after all, the fat and prosperous person he used to imagine him. Sir William Wedderburn has described the rayat, in conformity with all men who have ever set eyes upon him, as "a wretched starveling, 'ruined, despairing, and embittered,' crushed by burdens too heavy for him to bear, and paralysed in his industry by the operation of laws altogether unsuited to his condition" (INDIA, May, 1897). He has traced the rayat's woes to the Government rack-rent; and he has shown, by appeal to official documents, "that by arbitrary enhancements of rent, the rayat's improvements have been confiscated, and he is compelled to make up the Government demand by stinting himself and his family in food, and by borrowing from the money-lender." The reckless adventures of Government beyond the frontier forbid any relaxation of the revenue demand; so something must be done on the other side—with the money-lender. Sir William cited a passage from a speech of Mr. Bright's which drives home the gross mischievousness of the treatment of the rayat:

> These small cultivators in India, if they borrow money from the Native bankers of the district, pay a rate of interest which in England we should feel to be *altogether destructive of any industry*. Twelve per cent. is, indeed, a moderate rate; some pay 24, and some undertake or engage to pay as much, perhaps, as 30 or 36 per cent. It is obvious that capital employed in agriculture in any country must be absolutely unprofitable to the cultivator if he has to pay a rate of interest even of the middle sum, or 24 per cent.

This looks marvellously healthy for the money-lender; but a time soon arrives when he cannot realise his pound of flesh, and the rayat falls into the condition of the Highlander whom you cannot divest of his breeches. With the financial collapse comes social degradation and bitterness of spirit, and naturally the blame is thrown upon the Sirkar. The point needs no labouring. There could not be any surer system of universal ruin in a society of men. "If it were possible," said Mr. Bright, in reference to the very proposal now in question, "by some large and widely-extended scheme of this kind, to bring comfort into the homes of the cultivators, there can be no doubt that, with better prospects in their families, there would be a greater degree of contentment, and they would look with more satisfaction to the Government which controls their affairs."

One might have expected that the Government would seize with alacrity on any proposal that offered a reasonable prospect of salvation. But no. Mr. Bright spoke as chairman of a meeting addressed on the subject by Sir William Wedderburn as long ago as the year of grace 1883. What was the position of the question half a generation back? The answer is plain from Sir William's summary of the principles of the proposed Poona experiment:

> (1) The scheme was based upon the methods of the credit system, as tested by experience in every civilised country in the world.
>
> (2) These methods were adapted to local circumstances in the Deccan, and were accepted by debtor and creditor alike.
>
> (3) The scheme was approved by every authority in India, including the Viceroy in Council, and by all public opinion both in India and in this country.

Having reached a position like that, the proposal might have been regarded as on the very point of realisation. Not a bit of it. The India Office boggled at it, first raising hypothetical difficulties, and finally in 1887 negativing the experiment as impracticable. Well may Sir William Wedderburn express amazement at such imbecility:

> Was there ever a more extraordinary decision? These gentlemen sitting at Westminster had not been in India for years, some never there at all; they were not practical bankers; they had no special knowledge either of the continental system, or of the financial requirements of the Poona district where the experiment was to be made. Yet they assumed to know what was practicable there better than the bankers of Poona and the Government of Bombay; and they were so sure they were right that they would not trust the Viceroy in Council to make an experiment on a limited scale in a limited area, to which he "attached very great importance."

When people are so helplessly delivered over to unreason they can only be moved by the whip of adversity. There was a single objection raised that could be called a practical one; and that was founded on a misconception. The objectionable point was the recovery of advances from a defaulter as a revenue demand; and the reason was that the Government would incur all the unpopularity of collection—collection of debts not its own. The *Times*, in an article on "Agricultural Banks in Mysore," reproduced in INDIA for September, 1897, echoes the fallacious argument of the Government. Sir William Wedderburn easily brushes aside the difficulty, and shows, beyond all question, that "the only difference is that, if the revenue machinery is employed, there will be less friction and less hardship, and consequently the unpopularity falling on the Government will be less in amount." Perhaps fourteen years' meditation will now have got the India Office over this obstacle. It has been mistaking a sheep for a lion. It readily swallows camels of frontier expeditions, yet it strains at the gnat of a small experimental bank, which, if successful, would be indefinitely more valuable to the country than all the frontier expeditions put together.

The question is to be solved by experiment, or to remain unsolved. That is the point which the India Office has at length reached after an almost unparalleled demonstration, extending over many years, of "how not to do it." There is little light to be had from the Mysore trials, for though the original scheme was drawn out on the lines of the Raiffeisen system, the actual operation has developed into a simple imitation of the British system of Taccavi. Still even the Mysore experiments should relieve the Government of some little part of their nervous dread. Agricultural banks have proved a marvellous success on the Continent. The means of relief suggested to Schulze and Raiffeisen by the death and famine that swept over Germany in the years immediately preceding the last revolution may well suggest some means of relief in India to a state of things that is bound to land us in something very similar to a revolution there. If Lord George Hamilton cannot strike out some plan from the specific proposals laid before Government in direct reference to the Deccan, he can surely find some basis in Schulze's

Credit Associations, Raiffeisen's Loan Banks, Luzzati's (adaptation of Schulze in the) Banche Popolari, Wollemborg's (adaptation of Raiffeisen in the) Casse Rurali, the Belgian Banques Populaires, such Swiss experiments as the Schweizerishe Volksbank, the various attempts to organise co-operative credit in France, and even the successful operation of Village Banks in Ireland; what is to be said for his statesmanship? Let him sit down for a solid six hours before Mr. Henry W. Wolff's admirable book on "People's Banks," the sub-title of which is *A Record of Social and Economic Success.* Then let him return to the proposals for the Deccan. As for years of loss on a State guarantee, let him ponder on these sentences of Mr. Wolff's:

> Wherever the lending institution has presented itself to the borrower as genuinely popular and genuinely co-operative, there has been found *no more regular and more scrupulous repayer than the small man.* Even the French *Crédit Agricole*, which was but moderately "popular," has not lost a penny by its peasant customers, as M. Josseau honourably testifies. The debtor who wrecked the institution was the Khedive. The peasant may be tardy in his payment, says M. Garreau in *Les Sociétés Co-opératives;* but, when his sense of responsibility and honour is aroused, he is sure to pay. Similar testimony comes from all quarters. In Germany we have Herr Raiffeisen bearing witness, who has never lost a penny; in Italy, Signor Luzzatti; in Portugal, Senhor Costa Goodolphin. In Italy, in the Casse Rurali, ministering to the poorest of the poor, literally not a centisimo has been lost. . . . . It is just the same thing in America.

And so on. In Ireland, where the people are supposed to have "a double dose of original sin," the Doneraile Village Bank, the first in Ireland, has never lost a farthing. "Every loan," says Mr. James Long (in the *Manchester Guardian*, February 11, 1898), "has been punctually repaid." Is the Indian rayat alone a hopelessly unconscientious, impracticable, intractable person? Let Lord George Hamilton answer.

## "ANNALS OF RURAL BENGAL."[1]

By Romesh C. Dutt, C.I.E.
*(Late Officiating Commissioner of Orissa.)*

One welcomes the appearance of an old friend in a new garb. Sir William Hunter is one of the very few writers of the present day who have been able to interest English readers in Indian history and Indian affairs. The mass of information on India which he has accumulated during the study of a life-time is such as few other writers can lay claim to. The persuasive tact with which he supplies this information to the British public, sometimes in heroic doses like his "Indian Empire," and sometimes in the shape of nice little sugar-coated pills like his "Rulers of India," is as charming as it is inimitable. And the real sympathy for the people of India with which he writes of their past history and present concerns is a yet higher and rarer gift. All these qualifications render him the most popular writer on Indian subjects in the present day, and one turns with interest to the first performance of his youth, to the first stone which he laid thirty years ago, over which he has raised the fair fabric of an enviable reputation by continuous, hard and honest literary work during these thirty years.

It is needless for us to go over the entire range of subjects treated in this well-known work, which has now reached its seventh edition. The special interest of the book at the present time lies in the account which it contains of the first great famine which visited India after the establishment of British rule. Famines have unfortunately been frequent in India during the present century, but nevertheless the story of the terrible calamity of the last century, which according to the testimony of Warren Hastings, swept away "at least one third of the inhabitants" of Bengal, will still be read with interest and with horror. And the tale is told in this volume with the literary art of a true artist.

But when the author turns from the narrative of the famine itself, and puts forward the grave question: "Who is responsible for the deaths?" the reply does not seem to be either explicit or complete. The rigours of a bad season and bad harvests are always the immediate causes of an Indian famine, but the system of land settlements adopted by the Government, and the poverty of the agricultural people, have something to do with the repeated famines of the present century, and had a great deal to do with the deepening of the calamity of the last century. The appalling blunders of the first administrators, the ruin of the old aristocracy of Bengal, the ruin of internal trade under a system pursued for the profit of the Company's servants and gomashtas, and the desertion of villages and fields under the misrule of the years immediately preceding the famine, all these were important and accelerating causes which have been darkly hinted at but not fully told by the historian of the famine of 1770. And when the historian proceeds to remark that "to the native mind, on the other hand, the question of responsibility would not occur in such cases," he seems (we may be pardoned for saying so) to shirk the real question, and does injustice to the "native mind."

It has always appeared to us to be a somewhat unsatisfactory way of glossing over the blunders and defects of modern rule in India to state, as it is so often stated, that things were much worse under the Native rule. It is like trying to gloss over the defects of modern institutions in Europe, by saying that things were worse in the Middle Ages. Earnest workers after reform would consider this a mere trifling with the question, and a true historian of modern India would scarcely seek to palliate modern blunders by reference to worse blunders in the past. The Native rule in the past centuries was not much better and certainly not much worse than the rule in many parts of Europe—in Italy, Germany, and France in the seventeenth and even the eighteenth century. The European wars, from the Thirty Years' War to those of Louis XIV, were more frequent and more harassing and more destructive than Indian wars; the baronial oppression in Europe when Arthur Young travelled in France was more oppressive and more fatal to the well-being of the peasants than the oppression of feudal chiefs and governors in India; and the obstructions to trade and manufacture in Europe were more fatal than those under which trade and manufacture were carried on in Indian marts and villages. The frequent reference therefore to Native rule in the East as the rule of disorder and anarchy, as contrasted with the rule of order and law in the West, is a fallacy from which serious historians need to guard themselves.

With reference to the particular instance before us, the fallacy is still more apparent. If there is one matter in which the question of responsibility does occur to the "native mind," it is in the matter of a ruler's administration when a people suffers from famine. "The country prospers through the virtues of the king," is a common saying in all parts of India, and all rulers and chiefs, unless they were exceptionally heartless and cruel, have in India recognised the duty of providing against the distress of the people. Unlettered chiefs and rulers have constructed wells and embankments for irrigation; they have supplied grain from their State granaries in times of distress; they have supplied plough cattle and seed grain for the next year's cultivation. Take the instance of the poorest and most ignorant classes of Indian chiefs, like some of the chiefs of the Orissa Tributary States. Many of them of their own accord, and with a shrewd knowledge of their own interests, sink wells and excavate tanks for helping irrigation in their states; all of them have granaries where they store grain in years of good harvest in order to feed their subjects when there is failure in crops. They have no elaborate Famine Codes, but they have simpler and probably not less efficacious methods for saving their subjects from starvation and death in calamitous years.

We have dwelt so long on this point as to scarcely leave room for other remarks. Happily such remarks are scarcely needed in reference to a work so well and so favourably known to all who are interested in the early history of the East India Company's rule in India. Sir William Hunter's graphic and interesting account of the early difficulties of administrative officers in remote and wild districts like Bishanpur and Birbhum, his interesting account of the Santal tribes, their manners, habits, religion and village government, and his sketch of the Santal rebellion of 1855—all this is told by the author in a bright and lucid style which is peculiarly his own.

Still more interesting to us are those glimpses into the rural trade concerns of the East India Company which were formed in some of the Western districts. A commercial resident superintended these concerns in Birbhum, and three head factories regulated the operations of twelve

[1] "Annals of Rural Bengal," by Sir W. W. Hunter, K.C.S.I., etc. Seventh Edition. London: Smith, Elder and Co. 1897.

subordinate ones. "Silk, cotton cloths, fibres, gums and lac dye furnished the staple articles of the Birbhum investment. Mulberry-growing communes fringed the margin of the great western jungle, and every bend of the Adjai on the south and of the More on the north disclosed a weaving village."

This is a state of things which has almost passed away. The steam and machinery of England have ruined the weaving industry of India. The weaving villages of India are no more, the weavers are scattered over the land, and taken to cultivation or petty trade. We have visited the sites of old weaving villages both in the Western districts, and in Mymensingh and Dacca in the East; and we have seen temples in ruins, tanks which have silted up, homesteads which have been abandoned. In these days of Free Trade it is perhaps idle to complain of this; but it is necessary to remember that the pressure on land increases with the extinction of Indian industries, and that land is becoming more and more the one source left for the support of a nation of three hundred millions. On the assessment of the land depends the happiness or the misery of the people; and when the land is over-assessed, as is being done in the Central Provinces and other parts of India at each recurring settlement, it becomes impossible for the nation to save anything in prosperous years for years of drought and distress.

For the famine of 1770, which has been so graphically described in this volume, there is the plausible excuse that some blunders are inevitable in all first attempts to organise a proper administration. There can be no excuse for similar blunders after a century and a half of British rule in India. One of the principal causes of the famines which still desolate India is that, while all important industries in India have been killed by European competition, the soil which is virtually the one remaining source of support for the nation, is so highly assessed at each recurring settlement as to make it impossible for cultivators to save for bad years. All increase in profits from the rise in prices and the extension of cultivation is virtually swept away by the State, and the people are not benefitted by extensions and improvements in agriculture except where the revenues are permanently settled.

## THE WEEK IN PARLIAMENT.

BY OUR OWN ONLOOKER.

It is difficult, in spite of Scriptural injunction, to refrain from despising the day of small things, and assuredly this has been anything but a heroic Session so far. In only one respect is it great, and that is in expenditure. On Thursday there was another request for two and a half millions, and no one seemed to care a straw about it. The money is wanted for Government buildings, and there is no doubt that they are wanted, and have been wanted for a long time. The War Office officials are housed in eleven different places, the Board of Trade and the Education people are scattered in eight or nine, and other departments are distributed to almost as great an extent. Moreover, we are paying £16,000 a year for this accommodation, and all the time sites belonging to the Government are lying waste and vacant. One illustration will show the ruinous manner in which Governments look after, or fail to look after, business. The Carrington House site has belonged to the Government ever since 1866. In 1892 it was worth £130,000, and is now probably worth much more. Yet for more than thirty years it has remained vacant, and a hideous eye-sore as well.

The money asked for will be spent on a New War Office, £475,000; buildings in Parliament Street, and the widening of the street, £700,000; about £300,000 for Admiralty Buildings, and some £800,000 for the completion of South Kensington Museum. There were some other items bringing the amount to over two-and-half millions. Now, when new Government buildings were talked about last year only half-a-million was mentioned for the Parliament Street site. Why is there this sudden spurt in expenditure? The answer is simple enough. Unless the Government spends all it receives by March 31, it has to hand over the surplus to the reduction of the national debt, and this a Tory Government shrinks from with horror. This year they will have an enormous amount in hand. By siding with the masters in the late lock-out the Navy work went behind, and some two millions and more was not spent. Then the revenue has been nearly four millions more than estimated; that is to say, we have been taxed four millions too much. The Government has therefore been rushing in supplementary estimates furiously, madly, so as to get the money spent somehow or other. It is a positive scandal, but in these indifferent days positive scandals are winked at. The Government buildings decided upon cannot be built in less than ten years, and the necessary votes should have been passed each year. The Government has, in pursuing its bad policy of vicious finance, swooped down on the whole amount at once.

There was a passing reference to this sort of thing in the discussion on the Government's Bill dealing with light dues. Mr. Ritchie had said that he dare not ask the Chancellor of the Exchequer for a certain amount, and Mr. Gibson Bowles indulged in some jibes that will be probably heard again at election times. He said no one need shrink from asking this Chancellor of the Exchequer for anything. There never was such a generous man. He gave a million to the parsons, a million to the landlords—here some one called out it was two millions—Mr. Bowles continued that it made little difference to Sir Michael whether it was one or two. He was never so happy as when pouring millions into the lap of someone—distressed sugar planter or anyone else. This was excellent fooling and contained sound criticism, but I could not help wondering how the starved taxpayers of India would appreciate the fun. We cannot relieve them of one ounce of their burden, nay, we keep adding to it, but there is plenty of help for everyone else.

On Monday there were a couple of answers bearing more or less on that very point. Lord George Hamilton declared that he had asked to be informed what was the expenditure entailed by the presence of British troops in various places beyond the North-West frontier. He added, too, with grim significance, that "the cost of such measures as may be adopted for the defence of the frontiers of India and the maintenance of peace and order on those frontiers will be defrayed in the future, as in the past, from the revenues of India." The other answer was that the punitive force of police imposed upon the city of Poona for two years from June, 1897, will cost that city Rs. 9,600 a month. The Irish Local Government Bill passed its second reading on Monday after only a little debate and practically no opposition. On Tuesday it was early rumoured that the House did not mean to sit long, and when the House once makes up its mind on that point it generally gets its own way. A really important subject in connexion with national education was brought forward by Sir John Lubbock, who wishes English education to be assimilated to Scottish, but scarcely ten men could be got to listen to it. When Mr. Strachey brought forward a motion to put parochial charities other than ecclesiastical charities under the control of parish councils or parish meetings, the Tories crowded out of the House and tried to count it out. In this they failed, and were rebuked by Mr. A. Cross for not only leaving the House themselves but trying to prevent others from going in! Not being able to snuff the debate out they voted Mr. Strachey down.

Two Parliamentary dicta are worthy of record. Mr. Balfour was reproached on Monday with proposing that the Government should take certain days for the Irish Bill without making a speech. He replied, "What is the use of making a speech when everyone knows what you are going to say?"—a most revolutionary doctrine for Westminster, of all places. And on Tuesday Mr. Tim Healy moved the second reading of the "Mac" and "O" Bill, to which I have referred before. He was playfully asked for a few remarks in support. He replied smartly enough that he had exhausted his right to speak, but the Speaker assured him this was not so. Thereupon Mr. Healy remarked, "Then words fail me!" It is worth noting, perhaps, that this was on March 22, 1898, for it is probably the first and last time that the remark can be made of Mr. Timothy Healy.

## AGRICULTURAL BANKS FOR INDIA.

### PRACTICAL EXPERIMENTS WANTED.

### LECTURE BY SIR W. WEDDERBURN, M.P.

On Friday last, March 18, in connexion with the East India Association, Sir W. Wedderburn, M.P., delivered at Westminster Town Hall a lecture upon "Agricultural Banks in India." The following is a full report of the lecture:—

Speaking a few days ago, in the debate on the Address, regarding the distressed condition of the Indian peasantry, Lord George Hamilton made the following declaration in the House of Commons: "As regards legislation, the Government are only waiting for a quiet time to consider a number of proposals for the purpose of freeing the people as far as possible from the influence of the money-lenders. I hope we shall be able to set up some system of local banks for the assistance of the Natives." This announcement has not a very positive ring about it, but I welcome it as bringing the question of agricultural banks once more within the sphere of practical politics.

AN EARLIER PAPER.

It was in the year 1883 that, under the auspices of Mr. John Bright, at Exeter Hall, I read before "The East India Association" a paper entitled "The Poona Rayat's Bank," in which I set forth a scheme of an experimental or pioneer bank for the benefit of the struggling peasantry. The argument was stated as follows at the opening of the paper: "Though land banks have prospered in other countries, they are new to India. We have therefore felt, in approaching the present undertaking, that the first thing to be done is to acquire a certain amount of local and special experience by observing the actual working of such an institution in India. And this it is proposed to do by starting an experimental bank, under good local management, upon a limited scale and within a limited area. For various reasons the Poona district has been selected for the experiment; and the system followed will be that which has been found most successful in practice elsewhere, modifications being gradually introduced as experience may suggest. When trustworthy facts and figures have thus been collected, we shall know what rocks and shoals are most to be avoided, and we shall be in a position to decide in what direction, if any, a business of this kind can be safely and profitably extended." I then gave a brief sketch of the Deccan rayat's position, showing how he was crushed and demoralised by his load of debt. Next, I noticed what had been done in Europe, Australia, and Egypt in the matter of agricultural banks; and then I showed how it was proposed to apply similar principles in the case of the Poona experiment. I may summarise the matter by saying (1) that the scheme was based upon the methods of the credit system, as tested by experience in every civilised country in the world: in Germany alone there are more than 2,000 of these popular banks at work; (2) that these methods were adapted to local circumstances in the Deccan, and were accepted by debtor and creditor alike: there was to be a settlement of old debts, with a cheap and simple mode of recovery from the crop of the year; and (3) that the scheme was approved by every authority in India, including the Viceroy in Council, and by all public opinion both in India and in this country. It will thus be seen that as long ago as 1883 I was praying for immediate action by means of practical experiment. I have been urging immediate action ever since. But, unfortunately, instead of action, there has only been talk and correspondence—interminable controversy on speculative questions, but nothing has been done.

EXPERIMENTS LONG OVERDUE.

What I have to say now is mainly a repetition of what I have advocated all these years; to show what has been attempted, and why it has failed; and then to submit the proposition that there has been sufficient academic discussion, and that practical experiment should be no longer delayed.

At the Exeter Hall meeting Mr. Bright opened the proceedings with the following weighty remarks:—"These small cultivators in India, if they borrow money from the Native bankers of the district, pay a rate of interest which in England we should feel to be altogether destructive to any industry. Twelve per cent. is, indeed, a moderate rate; some pay 24, and some undertake or engage to pay as much, perhaps, as 30 or 36 per cent. It is obvious that capital employed in agriculture in any country must be absolutely unprofitable to the cultivator if he has to pay a rate of interest even of the middle sum, or 24 per cent. The scheme before us purposes to offer to the Indian cultivator a reasonable loan on reasonable interest, and to improve the mode of the latter's annual collection, so as to avoid going through the courts and ruining a man who finds he is behind in the regular payment of his interest. The Native bankers who lend money at these extreme rates of interest are themselves sensible that it would be an advantage to them if the rate of interest were lower, the security better, and if the interest would be collected in some manner which would cause less suffering to the borrower and to the tenant. They are, therefore, willing to contribute to a large extent funds which shall enable some banking system to be established which shall give this great relief to the Native population of India. . . . . The political prospect in India would be greatly improved if such a scheme as this could succeed, because if you have a vast population in a state of constant distress, they must be in a state of constant discontent. . . . . If it were possible, by some large and widely-extended scheme of this kind, to bring comfort into the homes of the cultivators, there can be no doubt that, with better prospects in their families, there would be a greater degree of contentment, and they would look with more satisfaction to the Government which controls their affairs." Mr. Bright was followed by Sir James Caird, one of the highest authorities on all land questions, who had recently returned from India, where he had served on the Famine Commission. He entirely approved of the experiment being made in the Deccan, and held that the scheme, by facilitating the digging of wells, would operate as an important preservative against famine. Other experienced speakers followed, and the debate was strongly favourable to the scheme; and next day the *Times*, *Daily News*, *Standard* and other London papers gave their approval to the proposal. A short time afterwards, at the invitation of the directors, I read a paper before the Manchester Chamber of Commerce, with Mr. G. Lord, the chairman of the Chamber of Commerce, in the chair, on "Government Concessions to Agricultural Banks in India." A resolution in cordial support of the scheme was moved, carried unanimously, and forwarded to her Majesty's Secretary of State for India. Subsequently I had an interview with Sir Nathaniel Rothschild, M.P. (now Lord Rothschild), who had already expressed himself interested in the subject. He informed me that if the terms agreed to by the India Office were satisfactory he would favourably consider the scheme, and he did not think there would be difficulty in raising the necessary capital.

THE GENESIS OF THE SCHEME.

It is now necessary briefly to indicate the genesis of the scheme in India, and to show the support which it received both from the public and from the Government in that country. The idea of agricultural banks was first mooted in Bombay as early as 1860, when Lord Elphinstone's Government passed a resolution in favour of loan banks which should advance money to the rayats on fair terms. It was not, however, till 1882 that the project took practical shape at Poona. After much careful enquiry, many local meetings, and prolonged negotiations with those concerned, a scheme was at last agreed upon which received the hearty co-operation of all parties interested; the rayats, the money-lenders, the native capitalists, and the promoters of the enterprise. A public meeting was then held at Poona, under the presidency of the Collector of the District, resolutions were passed for the establishment of an experimental agricultural bank, and an influential Committee was appointed to carry it through. This Committee waited upon the Governor (Sir James Fergusson) and set forth their proposals for an experimental bank in the Purandhar Taluka of the Poona Collectorate. His Excellency received the deputation in a very cordial manner, expressed himself personally favourable to the scheme, and promised that he and his colleagues would give it their best consideration. Accordingly the scheme was forwarded to the Viceroy in Council, whom it reached at a favourable moment. The Indian Government, as the general landlord, had always desired to help the rayat with loans for land improvement. But from various causes the attempt to make these advances through official agency had failed in every part of India. And the Government had at last come to the conclusion that it must look to private enterprise for any real progress in this direction. The Marquis of Ripon was then Viceroy, and Sir Evelyn Baring (now Lord Cromer), who was Finance Minister, had personal experience of agricultural banks, so that the Poona scheme received immediate and sympathetic consideration, as providing the exact means desired to carry out the Government policy. A very important despatch, No. 638 of December 5, 1882, was sent from Simla to the Bombay Government, expressing the satisfaction of the Viceroy in Council with the proposals made, and setting forth in detail the action which the Government were prepared to take. Subject to certain minor conditions the Government of India accepted the Poona proposals. They were willing to grant important concessions on the lines of those allowed to agricultural banks in Europe; but at the same time they were careful to explain to the Bombay Government that similar privileges would not necessarily be granted in future to other similar banks. The Poona bank was, in fact, treated as a pioneer enterprise, the object being to make a practical experiment in a limited area, with the hope that when the system was once established it would spread wherever needed, and, to use the words of the despatch, "prove of incalculable benefit to the whole country." In conclusion, the Government of India stated that they attached very great importance to the experiment, and asked the Bombay Government to undertake the working of the measure. In reply the Bombay Government, in their despatch of April 5, 1883, stated their willingness to give the scheme a trial. In this way, after no little labour and negotiation, every interest and every authority in India was brought into substantial agreement as regards the scheme—and on May 31, 1884, a unanimous despatch signed by the Viceroy and his colleagues, was forwarded to England setting forth fully the circumstances of the case, and asking the sanction of the Secretary of State to the proposed experiment. "We are anxious," they said, "to give effect to a scheme which we believe to be advocated on purely disinterested grounds, which can, under the experimental conditions proposed, be carefully watched, and which is likely, if successful, to be productive of much benefit to the country."

"NOTHING WAS DONE."

I think I have now shown that as long ago as 1884 public opinion, official and unofficial, had declared itself sufficiently in favour of a practical experiment, and I can claim that even then there was no excuse for any further delay. Nothing was

done, and what is worse, nothing has been done during the fourteen years that have since elapsed. Not even the smallest practical beginning has been made. Then, as now, the mass of the Indian peasantry were in great destitution, and in chronic danger of famine, having no store of food, or money, or credit. They not only possessed nothing, but less than nothing, for they were deeply in debt to the money-lenders. To rescue them from this hopeless indebtedness a practical remedy, tested by long and varied experience, was proposed. In India the authorities were desirous of giving this remedy a trial in a cautious experimental way; all public opinion in India and in England had declared itself in favour of the movement. Only the formal sanction of the India Office at Westminster was required; but this, unfortunately, was just what we could not obtain, the India Office raising a fruitless controversy regarding hypothetical difficulties, and eventually in 1887 refusing absolutely to allow the experiment to be made. In reply to a question in the House of Commons. Mr. S. Smith was informed that the Secretary of State in Council had carefully considered these proposals "with the result that it was determined that they were not capable of practicable application." Was there ever a more extraordinary answer or decision? These gentlemen sitting at Westminster had not been in India for years, some never there at all; they were not practical bankers; they had no special knowledge either of the continental system, or of the financial requirements of the Poona district where the experiment was to be made. Yet they assumed to know what was practicable there better than the bankers of Poona and the Government of Bombay; and they were so sure they were right that they would not trust the Viceroy in Council to make an experiment on a limited scale in a limited area to which he "attached very great importance."

AFTER FIVE YEARS.

After a further period of five years I again made an attempt to get some action taken. In May, 1892, I read, before the Society of Arts, a paper on "The Reorganisation of Agricultural Credit in India," when I urged that the time for academic discussion was long past, and that a pioneer bank should be started. But at the same time I took the opportunity to reply to the objections raised by the India Office to the Poona scheme. These objections are set forth in the Despatch No. 95 of 22nd October, 1884, and it will be found that they refer to matters of detail, and are of a speculative kind. For example, it is objected that the scheme professes to be one of private enterprise, whereas in reality the bank will be a Government institution; again, it is contended that the financial calculations of the Poona bankers do not show that the business will be profitable; and it is argued that the condition of the rayat is either too good or too bad to be suitable for the operations of an agricultural bank. The only objection that can at all be called a practical one is that which has reference to the coercion of defaulting debtors, and this objection is founded on a misconception. The despatch takes exception to the proposed concession under which the bank's advances may, in the case of a defaulter, be recovered as a revenue demand. This is only objected to from the fear, to use the words of the despatch, lest Government should "incur all the unpopularity and odium of collecting debts, which, though private obligations, are treated as public demands." This objection evidently arises from a misapprehension, the Secretary of State being under the impression that the Government of India proposed to undertake the duty of collecting the bank's advances. There could not be a greater mistake. Both the distribution and collection of the bank's advances was to be done entirely by the paid agents of the bank. The question was one of jurisdiction, not of collection. With its moderate rates of interest, and with its desire to show forbearance to its debtors, the bank expected very seldom to require any compulsory process. Still, for cases of contumacy, it was necessary that some ultimate means of coercion should exist; the only question being whether this compulsion should come through the costly and cumbrous machinery of the Civil Court, with its lawyers and bailiffs, warrants and executions, and sales of land, or whether it should come through the simpler and cheaper methods of the revenue process, in which case the village officers would exercise their customary authority, preventing the defaulter removing his crops until he had paid the instalment due to the bank. All that the Government of India proposed was that when compulsion was required the less grievous method should be preferred, the method which Government itself employed when recovering its own agricultural advances from defaulters. As regards "unpopularity and odium" arising from coercive process, Government will have to bear that, whether the jurisdiction is exercised in the Judicial or in the Revenue department. The masses in India make no distinction between the Revenue and the Judicial departments; to them these two departments are equally the "Sirkar," or ruling power, while the educated classes know that the Executive Government, as the sole legislative power, is responsible equally for the constitution of the courts and the revenue administration. The only difference is that if the Revenue machinery is employed there will be less friction and less hardship, and consequently the unpopularity falling upon Government will be less in amount.

A CASE FOR EXPERIMENT.

In this debate Sir Charles Bernard, Revenue Secretary at the India Office, took part. He expressly stated that he did not speak on behalf of the India Office, but at the same time his responsible position there gives importance to what he said. He spoke kindly of the scheme and its promoters, but dwelt upon the objections raised in the despatch, and added one or two fresh ones, such as the large area of the proposed experiment, and the difficulty of settling the old debts. He at the same time gave the headings of concessions which he thought might be granted, and expressed a hope that a revised scheme might be brought forward. I really do not think we shall gain by any further argument regarding these objections. My point at present is not that I am right in this controversy, and that my opponents are wrong. My point is that it is only by actual experiment that it can be satisfactorily proved who is right and who is wrong. Do not let us go on like the mediæval philosophers with their live fish and the full bowl of water. Half of them, arguing from the inherent properties of matter, held that if the fish was put into the full bowl, the water would not overflow. The other half, relying on first principles, held that it would; and they would have been arguing to the present day if the king, being a man of a practical turn of mind, had not ordered the experiment to be made. So I say, let us go to work at once. If on actual trial the proposed area is found to be inconveniently large, let it be reduced; if the settlement of old debts is found impracticable, try some other device; if recourse to summary revenue process is found to be so often necessary as to cause public inconvenience, we shall be willing to admit that our proposal in this respect is not justified. But what I do maintain is that our scheme, carefully worked out, approved by the local people, and accepted by the Government of India, was entitled to a fair trial. The recommendation of so high a financial authority as Sir E. Baring should not have been brushed aside in this summary way, supported as it was by his successor, Sir Auckland Colvin, who was equally prepared to find the funds necessary for the experiment.

"SOLVITUR AMBULANDO."

That this is the only right and rational mode of proceeding is proved, if any further proof is needed, by the further waste of five years' time since 1892. On March 15, 1892, the Madras Government placed Mr. F. A. Nicholson "on special duty for the purpose of enquiring into the possibility of introducing into this Presidency a system of Agricultural or other Land Banks." Here is the old error over again: the fish and the bowl. Can the authorities not see that the only way of ascertaining "the possibility of introducing" agricultural banks is to begin introducing them; that we shall never learn to swim if we refuse to go into the water? What has been the result of Mr. Nicholson's appointment? He has produced two large folio volumes, one of 400 and one of 300 closely-printed pages. But I cannot find that in these five years any practical beginning has been made. The only result of his labours is that he has now realised the truth that we have been declaring for the last fifteen years. This is how he closes his second report, of July 28, 1896: "The writer's motto for the initiation of village banks continues to be 'Solvitur ambulando'; great measures are always impossible till they are found to be successful, and success depends upon incessant experiment, perseverance, and courage; the problem is insoluble till it is attacked in actual experiment."

There is the truth in a nutshell. Success depends upon incessant experiment: the problem is insoluble till it is attacked in actual experiment. This is what Lord George Hamilton should take to heart. He tells us that he hopes to be able to set up some system of agricultural banks. But this will never be done if he continues to proceed in the way the India Office has done for the last fifteen years. As regards the future, a heavy responsibility lies upon the Secretary in Council. He has crushed our scheme and substituted nothing in its place. He is now bound to take the initiative; and I would ask him to profit by the advice of Mr. Nicholson, and set going practical experiments in different parts of India, relying not only, or mainly, on European official action, but consulting with the people, and obtaining the co-operation of all that is best in the Indian community.

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## THE INDIAN BUDGET.

### OPINIONS OF THE BRITISH PRESS.

#### THE "DAILY CHRONICLE."

The *Daily Chronicle* (March 22) wrote:—We note with amusement the scurvy treatment of exchange in the telegraphic summary of Sir J. Westland's financial statement. The rise in exchange has helped in a superlative degree to keep the Indian Government upon its financial legs during the last two or three years. A short while ago, when exchange was falling, Sir James Westland could not say anything hard enough about it, and Indian authorities, in monotonous chorus, chanted the woes of a thrifty and righteous Government afflicted by the spite of that false and hateful thing—exchange.

To-day, when exchange smiles upon them, its kindness receives a bare acknowledgment. There is something wanting, too. The Indian Finance Minister no longer makes those minute calculations with reference to the sterling pay of the British troops, compensation allowance, and the other ways in which exchange affects the expenditure of the Indian Government. These might serve to swell the horrid total of loss by exchange; but now, when their investigation would only disclose how little of economy and how much of chance continues to be a guiding principle in Indian finance, and would show the enormous sums which the rise in exchange has placed at the disposal of the Government of India in the last few years, a sudden unaccustomed reticence has seized upon our Indian Chancellor of the Exchequer. But we have no scruples, so we set out what it is that exchange gives to Indian revenues for 1897-8 and 1898-9 as compared with 1894-5. In 1894-5 the total charge for exchange was Rx. 15,045,000, as shown at p. 17 of the Secretary of State's Explanatory Memorandum, 1897-8. Now, for 1897-8 the Budget Estimate for net exchange at £1, equals Rs. 16.6 on net sterling charges of £15,915,500 was Rx. 10,544,200, and the total net charge for exchange (including compensation allowances, etc.) was Rx. 12,090,000. But the average rate for 1897-8 has proved to be at £1 equals Rs. 15.6 [R. at 1s. 3.375d.], instead of £1 equals Rs. 16.6, which means a saving of one rupee on every £1 remitted to England and a considerable saving on compensation allowances, etc. Upon £16,000,000 there would consequently be a saving of Rx. 1,600,000, which with savings on compensation allowances, etc, might well amount to a total saving of Rx. 2,000,000—reducing the total charge for exchange to Rx. 10,000,000. This means a saving of no less than Rx. 5,000,000 compared with 1894-5. It is possible this will not be fully realised in 1897-8 owing to short drawings by the Secretary of State, but unless exchange should take a downward tendency it is certain that this will be the result for 1898-9. No wonder, with the help of this nice little bonus of five millions a year, Sir James Westland is able to announce a prospective surplus next year, if no extraordinary circumstances intervene.

Another point to which we wish to draw careful attention is the latest estimate of the cost of the famine. In the telegraphic summary we are informed that the total cost of the famine may be put down at Rx. 14,000,000, of which Rx. 7,500,000 was money paid away, and Rx. 6,500,000 estimated loss of revenue, etc.; besides, be it noted, nearly Rx. 2,000,000 of revenue "suspended"—delightful word. Now this seems alogether too much. Sir James Westland would have us believe that such is the elasticity of Indian revenues and such the frugality of Indian expenditure, that in two years when famine cost Rx. 14,000,000 and war Rx. 4,000,000, to say nothing of plague and earthquake and loss of opium revenue—that in these two years, Rx. 18,000,000 of extraordinary expenditure [for loss of revenue is equivalent to increase of expenditure so far as calculating surpluses or deficits is concerned] has only brought about a deficit of Rx. 7,000,000. Think what this means! It means that a country, poor as only India is poor, and suffering under the blight of a disastrous and widespread famine, is able in two years to absorb by the increment of its revenues Rx. 11,000,000 of added expenditure. Doubtless Sir James Westland contemplates this result with pride, and ascribes it to that "most marvellous economy" which he assured an astonished world was practised by the Indian Government. But there is another point of view. That is, *that the estimate of the cost of the famine so far as it relates to an estimate of loss of revenue is largely fictitious.* Really Sir James Westland cannot have it all ways at once. Losses of revenue amounting to six or seven crores; revenues so prosperous that they absorb Rx. 11,000,000 of additional expenditure before the deficit begins; large remissions and suspensions of taxation in order to help the people pass through their great trouble; heavy crops of arrears of revenue which the Government proceeds to reap with a jubilant hand—all these things will not tally, Sir James Westland! You must be more modest in your statement of your achievements, and you must be more candid and grateful; you must not ignore the part that exchange is playing in all this staving off of disaster.

We are the more inclined to doubt the value of Sir James Westland's calculations, inasmuch as we remember a former calculation of his—can we ever forget it?—in which, by converting Indian expenditure over a series of years from rupees to sterling, he professed to show that that expenditure had actually decreased from 1883-4 onwards and had the assurance to declare that "we—*i.e.*, the Government of India—have been lightening the incidence of the revenue and taxation." Even on his own showing it was exchange and not "we" who did this thing; but let that pass, a folly the more in so preposterous a calculation hardly counts. As well might one convert the British National Debt in to rupees at two different dates of widely differing rates of exchange, and show that whereas in English currency the debt has decreased, when translated into a foreign currency of changing value it had actually increased. This kind of statistical antic destroys one's confidence even in an Indian Finance Minister, hence our scepticism.

That same healthy scepticism animates and sustains us when we read Sir James Westland's "short review" of twenty years' finance—a statement which the *Times* unkindly remarks is "not altogether relevant to the Budget of this year." Brief as must necessarily be the telegraphic summary of a "short review," there are still one or two facts which should have found an honoured place in any review, however short; and one or two statements which it would have been more accurate to omit. For instance, the statement that during the last twenty years India has more than paid her way is literally inaccurate and demonstrably misleading. It is inaccurate, as the following figures taken from the official accounts and estimates show:—

| | | Net deficit. |
|---|---|---|
| Twenty years, | 1876-7—1895-6 ........ | Rx. 1,808,762 |
| ,, ,, | 1877-8—1896-7 ........ | Rx. 924,586 |
| ,, ,, | 1878-9—1897-8 ........ | Rx. 1,912,546 |

Sir James Westland may take which set of figures he likes as representing "the last twenty years." But even were his statement literally accurate, it would none the less be surprisingly false in its implications. To say that during the last twenty years India has more than paid her way, when, quite apart from such trifles as heavily increased taxation and a remorseless enhancement of land revenue, the Indian Government has been borrowing right and left during these twenty years, is to imply that which is grossly, clumsily untrue. We therefore entirely agree with the *Times*, that this statement of Sir James Westland, as telegraphed, is "a rather bald array of figures" which "must be criticised with some reserve."

### The "Times."

The *Times* (March 21) wrote:—The telegraphic summary of the financial statement which will be made to-day in the Indian Legislative Council by Sir James Westland must be criticised with some reserve. It is a rather bald array of figures, upon the meaning of which no doubt the financial member of Council will be able to throw much light when we have the text of his statement and when we know how it has been received. At the same time, it appears that when Lord George Hamilton stated, a month ago, that the Government of India had refused a grant in aid from the Imperial Exchequer on the ground that the financial situation "warranted their considering external assistance unnecessary," the necessity was contemplated of raising money by loan to meet large accumulated deficits. We do not contend for one moment that this is not a sound and safe policy, nor would it be fair to say that the Secretary of State was guilty of putting a too sanguine gloss upon it when he told the House of Commons that he did not see his way to override the Government of India and to force them to accept assistance which they protested they did not require and were unwilling, for reasons perfectly familiar to all Anglo-Indian statesmen, to receive. The truth of the matter is that the credit of India stands very high, and that any moderate excess of expenditure over revenue can easily be met by borrowing on fair terms. The financial position, with which Sir James Westland has to deal, is not such as to call for any exceptional efforts, and we are justified in believing that the most pressing difficulties have been got over. Of course, much depends upon the rate of exchange, which is always an uncertain element. In the year now closing it averaged 1s 3⅜d. for the rupee, and this has been taken as the standard in the Budget Estimate of 1898-99. A fall might seriously disturb Sir James Westland's calculations, but the rupee, though not exempt from fluctuations, has now an artificial value not directly and exclusively dependent on the market price of silver.

The accounts for 1896-97, which are now closed, show a deficit of Rx. 1,700,000, which is better by Rx. 280,000 than the estimate of March last. But when this loss was incurred the full effect of the famine and the plague had not been experienced and the cost of the frontier operations was yet to come. For 1897-98 the revised Estimates—which may have to be altered when the actual figures of revenue and expenditure are accessible—show an anticipated deficit of Rx. 5,280,000. This is a very great improvement on the estimate of December last. Exchange is better; land revenue, railways, and irrigation have all shown a larger return, in spite of the unfavourable circumstances of the time; and some economies, which can hardly be regarded as permanently profitable, though, no doubt, they are necessary, have been effected by the postponement of railway construction, partly in consequence of the demands of war and famine, but partly owing to the strike in the engineering trade. The most serious falling off is in opium, due to lower prices in China, which are allowed for also, very largely, in reckoning the receipts from this source of revenue for the coming year. The famine charges for 1897-98 are taken at Rx 5,390,000 and the war charges at Rx. 3,820,000, so that the deficit is less by more than one-third than the extraordinary expenditure under these two heads alone. In India, the "Budget Estimate" is always a somewhat loose calculation, and that for the coming year, 1898-99, shows a surplus of Rx. 890,000, which it would be rash to calculate upon too confidently. There seems, however, to be a fair prospect of balancing current expenditure against income and of leaving a margin to spare. The famine insurance grant of Rx. 1,500,000 is provided for; there is an allowance of nearly the same amount for the continuance of war expenditure, and an additional sum for the new pay conditions of British troops. Yet it is considered unnecessary to impose any new taxation. After the famine the country has shown signs of rapid recovery; "a general bounteous harvest enables the Government to realise considerable arrears estimated at about Rx. 800,000 of suspended land revenue," while the receipts under this head may be expected to be undiminished, and returning prosperity will undoubtedly mean larger railway earnings. On the whole, when we take into account the extraordinary charges incurred in connexion with the famine and the war, as well as the plague and the earthquake, it will be acknowledged that India has come well through a period of severe trial and has not been compelled, as yet, to draw too largely upon her credit.

The Secretary of State proposes to raise £6,000,000 sterling to be added to the permanent debt, but of this £3,380,000 are required for the discharge of outstanding debentures, so that the operation is merely a book-keeping one. Another £6,000,000 of outstanding temporary debt is to be renewed, which practically makes no change. In India a rupee loan of Rx. 3,000,000 is to be raised. The drawings of Council bills, for home charges, are fixed at £16,000,000—a sum less than has frequently been drawn in recent years. The net addition to the debt is, no doubt, considerable, but it must be remembered that the famine outlay alone, in the last two financial years, has amounted to nearly Rx. 7,500,000—the daily number of persons relieved being in May and June last over 3½ millions. To this is to be added a still larger sum by loss of land revenue, of which only a very small fraction is likely to be recovered in the shape of arrears, while there has also been a large sum expended in loans to impoverished cultivators. All this is irrespective of the expenditure of the "charitable fund," which has done a vast amount of good, not only by providing food for the destitute, but by grants of cattle, seed, and implements. It is highly creditable to the Govern-

ment of India that, after grappling with these formidable problems, it should not be necessary to strain the credit of the country in order to establish a financial equilibrium. The review of twenty years' Indian finance which is appended to Sir James Westland's statement is, perhaps, not altogether relevant to the Budget of the year, but it is eminently encouraging. India has "more than paid her way," out of ordinary revenue, while her capital expenditure upon railway and irrigation works, harbours and docks, municipal and agricultural improvements, represents, taking the rupee at 1s. 4d., an investment of nearly Rx. 190,000,000, and, it is added, "we are, after all this expenditure, better off by Rx. 500,000 per annum than before we undertook it." Nor does this computation include what is the most important element of all, the indirect effect of the progress resulting from bringing British capital into India, the development of commerce, the opening of markets, and the increase of the taxpaying powers of the population. In these circumstances it appears unnecessary for the Government of India to take advantage of the willingness of the people and Parliament of this country to make a grant in aid of the expenses of the frontier war. Such grants have been always regarded with jealousy by Anglo-Indian statesmen. As Lord George Hamilton stated in the House of Commons a month ago, Sir James Westland is convinced, as his ablest predecessors have been, that such doles would be fatal to the independence of Indian finance, and in the long run, of Indian administration.

### The "Westminster Gazette."

The *Westminster Gazette* (March 21) wrote:—When Lord George Hamilton declared, the other day, that India wanted no Imperial assistance on account of the frontier campaign, and when he quoted the sturdy and self-denying declaration of Sir James Westland in support of that position, most of us hardly anticipated that the Indian Budget for 1897-8 would show a deficit at the least of Rx. 5,280,000. This, it is true, is considerably better than was estimated last December, for exchange is better, and there is a larger return than was expected from land revenue, railways and irrigation. Still, the broad fact remains that in this year of special stress, when Rx. 5,390,000 have been required for famine charges, a further sum of Rx. 3,820,000 has been wanted for frontier operations which were in large part avoidable, and which have been defended by Ministers as Imperial operations. Sir James Westland expects to get through next year with a surplus without imposing any fresh taxation. We are very glad to hear it, but how is it to be done? By borrowing £2,620,000 and renewing £6,000,000 of temporary debt. If the Imperial exchequer is not to come to the rescue, there is nothing else to be done. So far as the Indian administration is concerned, the statement is quite creditable. In the last two years over three and a half million persons have been relieved from famine, while the land revenue has (for the same cause) fallen off, and the opium revenue is continually falling. It is not surprising that there should be some disturbance of finance under such conditions, but it is less than might have been expected, and the deficit would have been comparatively little, had there been no frontier war.

### The "Standard."

The *Standard* (March 21) said:—The financial situation in India, as disclosed by the telegraphic summary of the Budget statement which will be laid before Lord Elgin's Legislative Council to-day, is rather more hopeful than the most sanguine Finance Minister could have anticipated. Lord George Hamilton's recent forecast encouraged the belief that neither famine and plague within, nor war on the borders of the Empire, had utterly exhausted the resources of the Indian Government; but it was hardly imagined, at that time, that Sir James Westland would be able to show such strong, if not convincing, reasons for dispensing with a grant in aid from England. The figures now published, however, are more than reassuring. The revision of the estimates for the financial year which is just about to close, results, of course, in a deficit, but not so large a deficit as was at one time apprehended. This is due mainly to a rise in the rate of exchange, but there are other, and in some respects even more satisfactory, circumstances which help to account for the improvement, especially an increase under the head of land revenue. That may be taken to mean that the country is likely to recover more rapidly than could have been hoped from the pressure of famine. A trustworthy account is now given of the cost of meeting this widespread and terrible calamity. The total cost to the state is put at seven million four hundred thousand tens of rupees, which includes the relief given to over three and a-half millions of people for two whole months, and to millions before and after the most critical period, the direct loss of revenue, and a considerable sum advanced to cultivators to enable them to buy ploughing cattle and sow their fields. Fortunately, the time of trouble has been succeeded by a plentiful harvest, and already a considerable portion of the land revenue which was allowed to fall into arrears has been recovered. War expenditure during the year ending on the 31st instant is put down at three million eight hundred and twenty thousand tens of rupees, a charge for which, of course, no provision was made when the Budget for 1897-98 was framed. Here, too, we know the worst: for, as our Calcutta telegrams state this morning, the clans who still held out have finally submitted to the terms imposed on them, and the fighting may now be regarded as practically at an end. There may be further delays in making them surrender arms, and pay up their fines. Extracting a fine from an Afridi, Sir Herbert Edwardes used to say, is like getting blood out of a stone; but with their hostages in our hands the tribesmen are powerless. Perhaps the most curious item in the accounts for the current year is that relating to a saving under the head of railway construction. The expenditure shows a considerable falling off, due not only to a diversion of the money set apart for new railways to famine relief and war charges, but also to strikes in England, which have stopped or diminished the supply of railway material. But the figures upon which Sir James Westland chiefly relies, in support of his sanguine analysis of the position, are those which relate to the Budget for the forthcoming year. He looks forward to a surplus of Rx. 890,000, and this without any additional taxation. Nor can he be accused of undue optimism. There are reasonable grounds for believing that the Railway Returns will show a marked increase; and there are large arrears of revenue which can be collected. An average rainfall in July and August would make things look still brighter; while an upward tendency in the rate of exchange would mean a really substantial surplus, unless some new disaster occurs. As it is, however, a moderate provision is made for a continuance of war expenditure, and it has been found possible to restore the Famine Insurance Grant. The review of Indian finance during the past twenty years, which concludes the statement, is perhaps open to criticism. Sir James Westland maintains that the Government has more than paid its way, in spite of War Expenditure, Special Defence Works, and Famine. This, however, must be qualified by the admission that it has been compelled to resort to extraordinary means of raising money—to Import Duties, that is to say, which Indian financiers once hoped had been abolished for ever. At the same time, experiments in currency reform have unquestionably induced a tightness of the money market which must have added greatly to the embarrassment of the population during the recent scarcity. Still, it is impossible not to congratulate both Lord Elgin and Sir James Westland on the more striking features of the Accounts and Estimates now presented. The immediate future, at any rate, is far less uncertain and gloomy than one would have expected it to be six months ago.

### The "Star."

The *Star* (March 21) said:—We can call attention to only two or three points in the telegraphic summary of the Indian Budget. Observe, first, that the confusing figures cover, as usual, three sets of accounts: (1) the closed accounts for 1896-97; (2) the "revised estimates" for 1897-98; and (3) the Budget estimates for 1898-99. The Indian Budget is, of course, (3); but all that Parliament will have to vote upon is the accuracy of the totals in (1). The revised estimates for the past year (1897-98) have had to provide some five and a quarter millions Rx. for famine and nearly four millions for the war beyond the frontier. There is consequently a deficit of over five and a quarter millions—which would be larger but for the windfall on exchange. Yet the Government of India would not accept aid from the British Treasury! How does it propose to get out of the difficulty? In two ways: (*a*) by screwing up the land revenue—"land revenue is better than Budget by Rx. 290,000." That is to say, the Government is grinding the face of its tenants, the starving rayats. And (*b*) by borrowing. Lord G. Hamilton, it is announced, intends to raise £6,000,000 sterling permanent debt; to renew £6,000,000 outstanding temporary debt; and to raise in India a rupee loan of Rx. 3,000,000. This state of affairs is simply appalling, and ought to lead at once to a vehement renewal of the demand for a Select Committee of the House of Commons to consider annually the finances of India.

### The "Pall Mall Gazette."

The *Pall Mall Gazette* (March 21) said:—The financial statement which will be made by Sir James Westland to-day is remarkably satisfactory, all things considered. A deficit of Rx. 5,280,000 for 1897-8 looks rather a large figure at the first blush, but considering that there were Rx. 5,390,000 famine charges, and Rx. 3,820,000 war expenditure, it is not so big after all, more especially when we remember that it was originally estimated as likely to be Rx. 6,630,000. Exchange, land, railways, and irrigation have all surpassed expectations, though opium has disappointed, and the postponement of some railway expenditure accounts for Rx. 200,000 of the improvement in the figures. For 1898-99 a surplus of Rs. 890,000 is anticipated, and we can quite understand why the Indian Government were able to gratify their natural reluctance to accept Imperial assistance, though we repeat that it would most properly have been given. The policy to be adopted includes an addition of £6,000,000 to the permanent debt, a renewal of £6,000,000 temporary debt, and £16,000,000 drawn on Council Bills. It seems on the whole to be a very fair solution of a difficult problem.

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# Imperial Parliament.

*Monday, March* 21.

## HOUSE OF COMMONS.

### PAPERS PRESENTED.

East India (North-West Frontier Campaign) (Strength of British battalions).—Return presented—relative thereto [Address February 17; Sir James Fergusson]. To lie upon the Table.

### THE NEW LAW OF SEDITION.
### SUGGESTED ISSUE OF PAPERS AS BLUE-BOOK.

Mr. Herbert Roberts asked the Secretary of State for India, whether he would at an early date lay upon the Table of the House, papers relating to the proceedings of the Legislative Council at Calcutta in connexion with the passage of the Bills dealing with the law of sedition in India, including the amendment of the Indian Penal Code, the Criminal Procedure Code, and the Post Office Act.

Lord G. Hamilton: I have already stated that I will lay the Acts in question upon the Table of the House when I have received and considered them.

### THE PROGRESS OF THE "FORWARD" POLICY.
### THE TOCHI VALLEY FORCE.

Mr. Arthur O'Connor asked the Secretary of State for India, whether the brigade now being organised for service in the Tochi Valley district of Waziristan, consisting of five regiments of infantry, two squadrons of cavalry, with artillery consisting of mountain guns

and five maxims, was to be permanently maintained in that region, and if that territory was regarded as within British, when, how, and by what authority the transfer was effected:

What had been the outlay since 1893 on land, forts, and cantonments needed for such location of British Indian troops, and what was the estimated amount required for maintenance of such troops beyond the frontier of British India:

And, from what funds was the cost of this occupation and maintenance of forces in Waziristan since 1893 to be defrayed.

Lord G. HAMILTON: I am unable, so long as the pending negotiations and arrangements with the tribes are incomplete, to give any information as to the disposition of forces which may be thought necessary henceforward. As to the expenditure which has been already incurred for the purposes mentioned in the question, I have asked for information, but have not yet received it. In any case, the cost of such measures as may be adopted for the defence of the frontiers of India, and for the maintenance of peace and order upon those frontiers, will be defrayed in the future, as in the past, from Indian revenues.

### THE PUNITIVE POLICE AT POONA.
### "NO CHANGE CONTEMPLATED."

Mr. HERBERT ROBERTS asked the Secretary of State for India whether the punitive police force which was imposed upon the city of Poona after the murders of Mr. Rand and Lieutenant Ayerst had yet been removed; if not, could he state how long it would be continued there:

Whether he could state what had been the approximate cost of the force to the city of Poona per month:

And if it was the intention of the Government of India to relieve that municipality of the whole or any part of the cost.

Lord G. HAMILTON: The punitive police force was imposed upon the city of Poona for a period of two years, from June, 1897, and the approximate cost, the whole of which was intended to be borne by the municipality of Poona, is about Rs. 9,600 a month. I have up to the present received no information which leads me to suppose that any change is contemplated.

*Tuesday, March* 22.

## HOUSE OF COMMONS.

### THE CASE OF GUNNER PIPER.

Mr. HERBERT ROBERTS asked the Secretary of State for India whether his attention had been called to the trial by the Bombay High Court, and subsequent acquittal, of a soldier named Piper, charged with causing the murder by shooting of a Native villager near Poona:

Whether he was aware that similar cases were very frequent in other parts of India, in consequence of the practice of allowing soldiers to wander about the country carrying firearms in search of sport in ignorance of the customs and prejudices of the villagers:

And whether, in view of the dangerous quarrels frequently resulting from this practice, and in view of the general state of unrest of the country, he would consider the desirability of issuing an order that no soldier should be permitted to carry firearms or ammunition in places where he was out of control of his officers.

Lord G. HAMILTON: I have seen a newspaper report of the case mentioned by the hon. member, and much regret the incident to which it related, and I would remind him that, according to that report, Gunner Piper had no right to be out shooting, as he is said to have had no pass. Passes to go out shooting are only given to men of good character and under very stringent regulations, and I am not disposed to prohibit this practice.

### THE PRESSING OF "BHUSA."

Sir SEYMOUR KING asked the Secretary of State for India, whether the press or presses erected by the Government of India, at Umballa, for the pressing of bhusa, or compressed fodder, had broken down after pressing altogether about 1,250 bales:

What had been the cost of the press or presses at Umballa, including cost of maintenance and working:

Whether other presses had been erected, or were in course of erection, by the Government:

Whether large quantities of bhusa had been pressed at presses erected by private enterprise to the satisfaction of the Government of India:

And, whether, under the above circumstances, it was the intention of the Government of India to continue to erect further presses or to maintain those already erected by Government.

Lord G. HAMILTON: I have no information on the subject to which my hon. friend's question refers. A press for compressing fodder was sent to the Government of India at their request six years ago; but it was regarded at the time as an experiment, and since then no demands for presses have been received.

### LAND REVENUE SETTLEMENTS IN THE CENTRAL PROVINCES.

Mr. SAMUEL SMITH asked the Secretary of State for India, whether there was any special reason for departing from the old rule of making land settlements for 30 years in the Central Provinces of India, which rule was observed in most of those parts in 1863-70:

Whether the reduction in the term of settlement to 20 years was made with the view of making a fresh assessment after this shorter period:

Whether, in view of the recent severe famine, the Government would adhere to the old rule, and declare the present settlement good for 30 years:

And, whether he could state what was the land revenue of the Central Provinces as actually fixed by the revised assessments.

Lord G. HAMILTON: Twenty years, instead of thirty, were made the term for recent settlements in the Central Provinces on the general grounds that the quantity and value of agricultural produce in those tracts had increased so greatly that it was not possible to assess upon the rayats at a single settlement reasonably adequate rents; and that a term of 30 years was not required to secure the further progress of the people during the coming settlement.

It will depend on the view taken of the then circumstances whether a fresh assessment will be made in the Central Provinces 20 years hence.

I see no sufficient reason for directing an alteration of the term of settlement at the present time; my answer of Tuesday last explained how difficulties caused by the famine were being met.

In my answer to the honourable member's question of the 8th March I stated the land revenue of the Central Provinces for the year ending September, 1896, as compared with the revenue before the recent settlement operations. When all the settlements are concluded I shall be able to furnish a statement of the total land revenue of the Central Provinces before and after the settlements.

### THE NEW ARMY SCHEME.
### THE COST TO INDIA.

Mr. BUCHANAN asked the Secretary of State for India, whether the additional expenditure of Rx. 200,000 which, as announced by the Indian Finance Minister, would be annually entailed on the Indian Revenues by the Military changes being introduced in this country, was a provisional estimate for the year, or did it represent the result finally arrived at and agreed to by the Home and Indian Governments.

Lord G. HAMILTON: The sum of Rx. 200,000 entered in the Estimates for 1898-99, can only be a provisional and approximate estimate of the charge falling on this particular financial year. No decision has yet been arrived at on the application to India of the changes in the pay of British troops.

### THE INDIAN BUDGET.
### ADDITIONS TO INDIAN DEBT.

Mr. MACLEAN asked the Secretary of State for India, whether the deficit for the year 1897-98 announced in the Indian Budget, Rx. 5,280,000, included or excluded the £4,000,000 sterling, equivalent say to Rx. 5,500,000, borrowed in England and applied in part payment of the Home charges for the year:

And, what were the total net amounts of the actual additions to the debt of India in 1897-8, and estimated to be added in 1898-9, without reckoning capital raised for expenditure on reproductive public works.

Lord G. HAMILTON: The deficit of Rx. 5,280,000 in 1897-8 is the excess of expenditure chargeable against Revenue over the Revenue of the year. It includes the interest charged in the year in respect of sterling debt incurred; but in arriving at the amount of the deficit the money raised by borrowing in the year is not reckoned as part of the revenue of the year. It is, however, included in the ways and means out of which the Deficit and Capital Expenditure have been met. The total net additions to the Debt of India in 1897-98 and 1898-99 are estimated as follows: In England £11,112,600, In India, Rx. 5,424,900; but I am unable to say how much of this has been, or will be applied to expenditure on reproductive public works.

The Railway Capital Expenditure in both years was large.

### RETURN PRESENTED.

East India (Currency).—Return presented—relative thereto [Address March 15; Sir Henry Fowler.] To lie upon the Table.

*Thursday, March* 24.

## HOUSE OF COMMONS.

### THE NEW LAW OF SEDITION.

Sir WILLIAM WEDDERBURN asked the Secretary of State for India whether his attention had been drawn to the petition of the Calcutta Bar against the new legislation regarding sedition, and the contention therein contained that any native Indian subject of Her Majesty who petitions Parliament against alleged oppression, and thereby excites any feelings of enmity against the Government of India, would now be liable to transportation for life:

And whether, looking to the provisions of Section 22 of the Indian Councils Act of 1861, he would take care that the privileges of Parliament were not infringed.

Lord G. HAMILTON: I have seen a letter purporting to be written on behalf of the Calcutta Bar, and containing the contention to which the hon. baronet refers, and which on the face of it is absurd. I see no necessity for any special precautions to protect the privileges of Parliament.

Sir WILLIAM WEDDERBURN asked the Secretary of State for India whether he proposed to bring under the review of Parliament the effect upon the liberty of the Press of the recent Acts passed by the Government of India dealing with the Law of Sedition.

Lord G. HAMILTON: I intend, as I have more than once stated, to lay the Acts on the Table of the House as soon as I have considered them, but I do not propose to take any other steps in connexion with them.

### THE NEW CURRENCY PROPOSALS.

Mr. MACLEAN asked the Secretary of State for India if he would explain the nature of the new Indian currency proposals which the Viceregal Government had submitted for his consideration.

Lord G. HAMILTON: It would be inconvenient to attempt to explain the nature of the currency proposals which have just been received from India within the limits of a Parliamentary answer; but I may state that they will form the subject of an enquiry, which will be

instituted forthwith, and that the despatch of the Government of India, in which these proposals are contained, will be published. No action would be taken by her Majesty's Government upon these proposals until the enquiry in connexion with them is concluded.

THE "DUM-DUM" BULLET.

Mr. DILLON asked the Secretary of State for India, who was responsible for the issue of Dum-dum bullets to the troops in India:

And, whether the India Office had any information as to the effect of these bullets on men and animals.

Lord G. HAMILTON: These bullets were issued by order of the Government of India. No further sanction for their issue was necessary, nor was any such sanction either asked for or given; but her Majesty's Government were fully informed as to the proceedings of the Government of India, and saw no reason for questioning their propriety.

On March 1 I gave the hon. member the substance of such information as I had as to the effect of the bullets, and added that I had asked the Government of India for reports on the subject. Those reports have not yet reached me, and are not likely to do so for some time to come.

## *ET CAETERA.*

Mr. John Morley was the principal speaker at a large meeting held at Leicester on Wednesday, in connexion with the session of the National Liberal Federation. In the course of his speech, Mr. Morley said: Lord Salisbury admits that we ought not to fight everybody and take everything, but then why the expedition to Khartoum? Why the retention of Chitral? I will tell you another element of a crisis, and that is the power which certainly in the government of India the soldier possesses. (Hear, hear.) The other day a brilliant and most successful soldier, whose sword and whose skill have done good service to his country, made a speech in the House of Lords, and he built up a great fabric of argument to convince the people of this country that we ought to make ourselves sure against an invasion from Russia of India, and that we ought to take in hand the 200,000 wild, fierce fighting men, of whose quality we had some taste not long ago. But when he had finished the argument for this tremendous operation, how do you think Lord Roberts ended? If a man comes to you, and wants to sell you an estate, or has got plans for a mansion, or describes what he can do for you in the way of fine landscape gardening, he knows that when he has kindled your admiration and warmed your coveteousness, you will be sure to ask him how much it will cost. Lord Roberts anticipated this question, and what do you think he said? He said: "There is one point of view from which I have not discussed the question, and that is the financial point of view." The moment he said that, the whole of his laboriously constructed fabric came down with a crash. (Hear, hear.) To use a homely phrase, we must cut our coats according to our cloth. That is one of the dangers that would constitute a crisis—one of the elements in the crisis—that we leave the financial point of view out of account.

Mr. C. L. Tupper's lecture on "India and Sir Henry Maine" at the Society of Arts, was (writes the London correspondent of the *Manchester Guardian*) attended by a distinguished audience, which included Lady Maine, Lord Shand, Sir Lepel Griffin, Sir G. Birdwood, and many well-known Anglo-Indians. At the close of the lecture, which dealt with Maine both as a jurisconsult and as an author, Mr. Frederic Harrison was invited by the chairman (Sir Mountstuart Grant-Duff) to lead the way in the chorus of praise which was offered at the shrine of the great lawyer's memory. Mr. Harrison, however, merely trusted himself to refer to the time when, as a student of ancient law, he had been a daily visitor to Maine's chambers in the Temple, holding frequent discussions with him.

Sir Frederick Pollock dwelt upon the characteristics of speculative power, facility of expression, and practical wisdom combined in Maine; while Sir Alfred Lyall insisted upon his incalculable usefulness as a legislator. Maine, he said, had stood at the critical time of 1858 between the advanced reformers who wished simply to transplant British institutions to India and the old-fashioned Indian officials who wanted no change. He had stood between ancient and modern ideas, and had succeeded in finding a *modus vivendi*. Those who were faced with Indian problems had before them a combination of circumstances with which they hardly knew how to deal, and Maine at once found the formula which fitted the case. Sir Alfred also alluded to the humour which marked so many of Maine's observations—those incisive and pungent points which struck into a fallacy and made it to vanish.

The afternoon's eloquence reached its height in the speech of Sir Courtenay Ilbert, who, as a successor of Maine, summed up his services to India under five heads. He tided over the transition period between the India of the Company and the India of the Queen; he passed the Codifying Act; he founded the legislative department of India; he based on scientific and intelligent principles the relations between the Indian Government and Native States; and, lastly, he was, on his return to England, for sixteen years the confidential and trusted adviser of the Secretary of State. He changed the attitude of the English mind on Indian affairs from indifference to sympathetic insight.

The P. and O. s.s. "Palawan" from Calcutta (due in London on March 23) had the following among her passengers:—Major Passy, the Honourable Mr. and Miss Featherstonhaugh, Lieutenant F. M. Rickard, R.A., and Colonel A. Davis.

Among the passengers by the P. and O. s.s. "Sumatra" (which leaves London for Calcutta on March 25) are Captain London and Lieutenant D. J. Pritchard.

Commenting on the recent debate in the House of Lords, the *Spectator* writes:—The most serious answer to Lord Roberts was not made by any peer. It is that there is no evidence that by subjugating the tribes we increase their loyalty to us. On the contrary, they may hate us all the more. It is not certain that Sir R. Sandeman's policy in Baluchistan will succeed as a permanent method; while it is certain that the first condition of that policy, the existence in each tribe of a recognised chief whom we can convince, or coerce, or bribe, does not extend to the Himalaya. Is it worth while, then, to waste our resources on an effort which, even if it succeeded, will secure us nothing? The tribes will not aid Russia, or if they do, they will, when out of their own mountains, only treble her difficulty in securing supplies, of which Colonel Hanna, in his pamphlet on the subject, makes so much. To arrest the progress of India for the sake of preparing against a Russian invasion which may never come seems rather wild policy, more especially as, if it did come, our real defence would be not a frontier war in Central Asia, but a descent on the Caucasus, Odessa, and Port Arthur. The whole debate, in which Lord Northbrook, Lord Ripon, the Duke of Devonshire, and Lord Kimberley joined, should be carefully read, with this recollection in mind, that Lord Roberts point blank refused to touch the financial side of the question. We rather fancy he knows the truth, viz., that the forward policy must be carried out, if at all, by the British, and not the Indian taxpayer, and did not want to say so.

Already (says the *Investors' Review*) have events in Bombay given the lie to Lord Sandhurst's officious optimism, and in the most unpleasant way possible. A dissatisfied population in that city, the most Europeanised in the Peninsula, ridden down by troops, Mahometans making common cause against Europeans with the Hindus whom it is their wont to despise. Something must be wrong with the system of Government which rouses such passions. Why was no heed given to the representations of leading Natives that the methods of inspection adopted by the Government in hunting down the plague were offensive to deep-rooted Native prejudices, and calculated to induce riots—the very thing which has happened? Is it because the British civilian official is no longer in touch, still less in sympathy, with the Natives? If so, and we fear much it is, our rule in India is indeed on a precarious basis. Much is plainly wrong out there. Is our incurable optimism to lead us to go blindly and trustingly on until the wrong produces mischief past remedy?

## A HINDU ROMANCE.

*The Rájá of Patmandri: A Hindu Romance*, by Henry Francis. London: William Reeves, 185, Fleet Street, E.C.

This book begins with a story of love at first sight between two people, John Leslie and Kate Lane, who are separated after a few days' acquaintance. After a vain endeavour to interest the reader in a second and still less intelligible case of the same kind in which the Rájá plays the most important part, the story reverts to the original characters. Kate Lane discovers that the man she loves is the husband of an insane woman. A serious illness in India leaves him afflicted with deafness, which, however, does not prevent his replying coherently when she speaks "in a low and winsome voice." But it obliges him to sink from the position of a celebrated lawyer to that of a clerk with £200 a year, and she, compelled to subsist on half that sum, takes a garret in Bloomsbury and helps her landlady. Everything, of course, turns out well—the insane wife is found to have been sufficiently obliging to have died a few weeks before they ever met. Hence, as Kate remarks, "it was not wrong to love you all this time." The ethical situation is thus completely vindicated. The book is a mass of improbability and inconsequence, and it cannot be said that the characters are more natural than the incident.

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